

**FORT PECK FISH HATCHERY
AUTHORIZATION ACT OF 2000**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND
WATER
OF THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
ONE HUNDRED SIXTH CONGRESS
SECOND SESSION

APRIL 29, 2000—GLASGOW, MONTANA

ON

S. 2027

A BILL TO AUTHORIZE THE SECRETARY OF THE ARMY TO DESIGN AND
CONSTRUCT A WARM WATER FISH HATCHERY AT FORT PECK LAKE,
MONTANA

Printed for the use of the Committee on Environment and Public Works



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FORT PECK FISH HATCHERY AUTHORIZATION ACT OF 2000

SATURDAY, APRIL 29, 2000

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND WATER,
Glasgow, Montana.

The subcommittee met, pursuant to notice, at 10 a.m. at the Cottonwood Inn, Glasgow, Montana, Hon. Mike Crapo (chairman of the subcommittee) presiding.

Present: Senators Crapo and Burns.

OPENING STATEMENT OF HON. MICHAEL D. CRAPO, U.S. SENATOR FROM THE STATE OF IDAHO

Senator CRAPO. Good morning. This is a field hearing of the Subcommittee on Fisheries, Wildlife and Drinking Water of the U.S. Senate Committee on Environment and Public Works. We will be looking today at Senate Bill 2027, which is called the Fort Peck Fish Hatchery Authorization Act of 2000.

Joining me today is your Senator Conrad Burns who, as I am sure you all know, has been a tireless advocate of this legislation in Washington, DC and has convinced the Chairman of our full committee, Environment and Public Works Committee, who is Bob Smith from New Hampshire, that the bill justified a field hearing.

If you knew how hard it is to get a field hearing out of Washington—each committee has only a certain number of slots for field hearings, and the chairman of the committee guards those jealously and usually doles them out only when the details of highest priorities are reached, and Senator Burns has convinced the chairman that that is appropriate in this case.

Since it fell in the subcommittee of which I serve as the chairman for jurisdiction, I got the privilege of being the one who comes out here to hold that subcommittee hearing—and I truly mean that.

As you can probably guess, coming from Idaho, I see country like this and my mouth is watering. In fact, I want to come back and go fishing. I hope that you'll see me back in your community soon.

In any event, we have three panels before us today. I'm going to conclude my remarks in just a moment and then turn the microphone over to Senator Burns for his remarks. Following that, I will lay out some of the rules of how the committee hearing will proceed and we will get right down to business. Barring any unforeseen circumstances, we should be able to proceed very rapidly.

Senator CRAPO. Senator Burns, would you like to make an opening statement?

**STATEMENT OF HON. CONRAD BURNS,
U.S. SENATOR FROM THE STATE OF MONTANA**

Senator BURNS. Thank you very much, Senator, Mr. Chairman. And thank you for coming to Montana. You've got to be half a salesman to get into that committee up there and to get a field hearing out here, and it would not have happened had we not told them that there's great, broad support for 2027 in this part of the world.

We flew in through Billings last night after a pretty good rain. When we got up this morning, I said, "All this will be blown out in the morning and we'll have a wonderful little plane ride from Billings up to Glasgow." Of course, we couldn't see anything. He said, "I wish it was a prettier day," and I said, "Don't say one bad word about those clouds."

[Laughter.]

Senator BURNS. We haven't seen very many of them, and so we need rain.

We want to thank Senator Crapo for coming up and, as he said, we have a lot of the same challenges in our States of Idaho and Montana.

You know, this could be one of the really good environmental things that we do as a community here in Valley County. Not only are we providing economic growth, but we also think this is very important for Fort Peck Lake and this whole area.

It all fits into the infrastructure of eastern Montana. A little project that I've been trying to get done and finally got done is improving the road between Ekalaka and Alzada. Now, that doesn't sound like much, but it is the only paved road that we can tap into to get us to the north part of the State. It is those infrastructure things that we do that make the entrepreneurs, the people who have imagination and the tools who can really build this into an area where we are very proud.

Another thing, now that we are into the new millennium, we're going to see a lot of visitors as a result of Lewis & Clark. And this project has become very, very important for a couple of reasons. It puts the right foot forward, as far as Valley County goes and on the trail of Lewis & Clark with the history and the culture that is here. So I believe it has many, many great, positive things about it.

And then, when you get Sam Kitzenberg really fighting on you, I mean, every day—I don't know who pays his phone bill. Are you folks checking that out?

[Laughter.]

Senator BURNS. But, nonetheless, we cannot do these projects unless we have strong, local support, and this turnout is pretty heartwarming—I realize it rained last night and you can't do anything, and right now there's a lot of people who kind of like mud that would have preferred not come in for these hearings, but to have a turnout like this this morning on this project is heartwarming.

This project is not without its detractors, and sometimes its critics, but I think we can work our way through that. We know what the problems are. We have identified them and all of the parties are at the table.

As we work our way through this thing, we think we'll have a very, very solid piece of legislation, and a piece of legislation that we think can pass this year.

It is important that we get it passed this year, but we are limited in time because leadership in Washington is telling us the No. 1 priority is appropriations. Let's get our appropriations. And we are working on a much shorter calendar than we do with any other year, because everybody wants to get out of there and come home and campaign. So we want to move all the work that we have to do as fast as possible, and then move into legislation. But this piece of legislation has got great merit.

There is the possibility that this project could be added as a part of other legislation, so we've looked at all the different prospects.

The challenges, operation and maintenance, the problems of the operation of the hatchery—we'll work with the State. We're happy to have Pat Graham here, who works with Fish, Wildlife and Parks. All of these challenges are ahead of us, but everybody is at the table, and we think we can work through it. So thank you for coming today. Thank you for showing your support for this great project. We think it is very, very important.

Mr. Chairman, we want to again welcome you to the State of Montana.

Senator CRAPO. Thank you, Senator Burns.

[The prepared statement of Senator Burns follows:]

PREPARED STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM THE STATE OF MONTANA

First of all, I want to thank you, Mr. Chairman, for coming out to Glasgow. I know it is well out of your way, but I know this town and the surrounding communities join me in thanking you for your efforts to join us.

As you can see, the Fort Peck Fish Hatchery is an extremely important project to this community. It offers a way to spur economic development and recreational opportunities in the area. I believe it is also a way to help the environment. The hatchery will give us the option of rearing both sport fish and fish considered threatened and endangered.

The hatchery project has been citizen led, and supported by the state legislature. Warmwater fishermen are now purchasing fish stamps to help cover the eventual costs of operation and maintenance. The Corps of Engineers has worked tirelessly on the project, and I am dedicated to shepherding authorizing language through Congress so we can break ground on the project as soon as possible.

I introduced S. 2027, the Fort Peck Fish Hatchery Authorization Act of 2000, earlier this year to spur your Subcommittee's involvement in the process. Notice I called it the Act of 2000. I did so because I hope we can move this project forward as soon as possible. The groundwork is in place. The Corps has completed a Preliminary Design Study and Environmental Assessment, and this town is ready to go.

While I would like nothing better than to see S. 2027 move as a stand alone bill, I have talked both to you, Mr. Chairman, and Senator Bob Smith, Chairman of the full committee about including this project in the Water Resources and Development Act of this year to move the project forward as quickly as possible. Chairman Smith has looked favorably on the project and I hope that this hearing will help us find the answers we need to finalize the details of the hatchery.

At this point in time there are a few outstanding issues that we will need to address. First, and perhaps the easiest from an authorization standpoint, but more difficult from my position as a member of the Appropriations Committee, is the cost of the project. From the latest set of figures presented by the Corps, it is my understanding that the total cost for the hatchery project will be approximately \$18.7 mil-

lion. This will allow the completion of a state-of-the-art facility that will meet the needs of the region to raise numerous fish species, including those listed in accordance with the Endangered Species Act.

While I admit this is an expensive undertaking, the Corps of Engineers has compared these figures with the cost to construct other federally financed hatcheries and determined that the build cost is comparable to previous projects.

The second issue of contention that has been brought to my attention relates to the delivery of power to the hatchery. It is my understanding that the Corps and the State of Montana have discussed the ability to deliver low cost project power to the hatchery in an attempt to keep Operation and Maintenance costs at a minimum. However, the local electric cooperative has raised concerns that this power should be delivered through the co-op. I have asked the cooperative to estimate what they would charge for electricity to power the hatchery so we can compare whether this cost increase threatens the viability of the project.

Finally, there has been a discussion of Operation and Maintenance costs and who should shoulder this burden. As I pointed out previously, the State has begun marketing a fish stamp to cover some of these costs, but is it highly unlikely the sale of this stamp will generate enough revenue to cover all the O&M costs. To make matters more contentious, State law dictates that the State share of Operation and Maintenance can not exceed the revenue produced by the sale of the warmwater fish stamp. However, considering that this hatchery will be used to raise pallid sturgeon, it is my hope that we can identify a portion of the hatchery's Operation and Maintenance that will remain a Federal responsibility to support raising threatened and endangered species.

I look forward to discussing these issues with our witnesses.

Senator CRAPO. I was just handed a statement from Senator Max Baucus, which we will enter into the record. He was not able to be here today, but his statement will be entered into the record.

I noted, as I was reading the statement, that he indicates that he, too, will support us, and on Thursday he agrees to cosponsor your bill, Senator Burns. I guess you probably know he's doing that.

Senator BURNS. We welcome him aboard.

Now we have the legislation, and his statement will be entered into the record.

[The prepared statement of Senator Baucus follows:]

PREPARED STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

I would like to thank Senator Crapo for holding this hearing in Glasgow today so that the people of Montana can voice their support for a fish hatchery at Fort Peck Lake.

Today you will meet some of my real heroes, Sam Kitzenberg, who in the truest sense represents this area and Chuck Lawson, who has dedicated his life to making this fish hatchery happen. These are the kind of constituents its fun to help because their heart is in this project.

They've convinced me that a fish hatchery at Fort Peck Lake is the very best kind of economic development for this area. Senator Burns and I are among their strongest supporters—along with the state's Walleyes Unlimited chapters—and I know you will join us in this effort after you've heard how important this project is to all of Montana, but especially the folks in Northeastern and Central Montana. This fish hatchery will serve as an example of the kinds of successes that happen when we all work together, Federal, state and local government and private citizens.

The Missouri River and Fort Peck Lake provide a great source for a cool- and warm-water fish hatchery.

With the growing pressure at Fort Peck and throughout the state for quality fishing, this hatchery is vital to the economy of the state, the sustainability of our fish populations and the future of Montana's outstanding fishing experience.

Although Fort Peck was authorized as a multi-purpose project to include other activities to promote economic growth, including recreation, those projects never emerged. Building this fish hatchery will help fulfill the initial vision for this project.

This fish hatchery will also provide a state-of-the-art facility for the production of the endangered pallid sturgeon as well as other state and Federal species of concern.

I want to thank everyone who has come to Glasgow to testify and to support this effort today and all of those who have worked so hard to make this vision a reality. As the ranking member of the Senate Committee on Environment and Public Works, the Committee with jurisdiction over the programs and projects of the U.S. Army Corps of Engineers, I intend to include this bill in the Water Resources Development Act of 2000 that will be considered by our Committee this spring.

Thursday, I signed on as a cosponsor to S. 2027, the Fort Peck Fish Hatchery Authorization bill. I know that you will hear today that 10 million isn't enough to build the hatchery we need and we will be making revisions after today's hearing. We are waiting for final estimates from the Army Corps of Engineers to insert the language in WRDA.

Senator CRAPO. I just wanted to say, Senator Burns, you reminded me that I should make a comment about what the processes are with this legislation and where we are headed.

I think the fact that you have seen the chairman of the full committee and the subcommittee pay enough attention to hold a field hearing on this legislation means that it is getting the highest priority focus in Washington, DC.

Senator Burns has indicated that the budget cycle that we are in—we have a budget that Congress just passed that will, for the fourth year in a row now, keep the Federal budget balanced. It will do so for the third year in a row without taking any Social Security trust fund dollars to do it. And it will actually, if passed, if the appropriations are added matching the budget that was passed, the budget will also make room for some significant tax relief, as well as the kinds of investigations that we need to make in our national defense and some of the other important priorities, such as these kinds of water projects.

So we've got a budget that has been put forward that will allow for this kind of thing, but we are in a very difficult budget cycle, which we have been for a number of years now as we face the difficult fiscal burdens that we see in Washington.

To get a project in of this size, too, takes a monumental amount of effort, and so I think that it is significant that this field hearing is being held.

Senator Burns mentioned the importance of public support. One of the things that I am here to gauge and have already gauged is whether there is public support for this project. The fact that, in a small community like this, a room like this can be filled is not something that is done without notice, and will be reported back to the committee and the full committee chairman, in particular. I think those kinds of things are very critical.

There is legislation moving in Washington right now called the "Water Resources Development Act," and that act is one which, if we need to—in fact, it is probably one of the most likely vehicles that we could try to attach this legislation to on the part of moving it through.

I think that, short of some of the kinds of political problems that arise in a Presidential election year that would cause unnecessary budget problems, we should be able to get the WRDA Act, the Water Resources Development Act, through Congress this year, and that I'll give you my commitment, even before we begin the hearings here today, that I will work to see if we can get this legislation attached to the WRDA Act.

I have just been also told there are a number of people standing. There are a few seats up here in the front, and we encourage those of you, if you would like to find a seat, to just feel free to work your way right up to the front and get a seat.

It always reminds me of when my folks had their 50th wedding anniversary, and people kept coming, and Mom said, "Russell, we don't have enough chairs." And Dad said, "We've got enough chairs; we've got too damn much company."

[Laughter.]

Senator CRAPO. If you people in the back of the room can't hear, there are some people up front that would like to trade with you.

[Laughter.]

Senator CRAPO. Coming from Idaho, I know what holding meetings in small communities is like. When I walked in here this morning, first of all I asked what the population of the area was, and then I walked in here and saw all these chairs and I thought, "They're never going to fill all those chairs," and here we've got standing room only. As I said, I will report that back, because that really says something about the support in the community.

Now we will proceed. Let me lay out the rules.

We have a full set of witnesses. We have three full panels for testimony today, so we are going to ask that all of the witnesses pay very close attention to the timing requirements, because we want to have an opportunity, as Senators, to engage with you in dialog.

I will tell you that both Senator Burns and I have read your testimonies. One of the things that we commonly see, when we have—and I think you all know this—we ask you to keep your testimony to 5 minutes. The lights up here will show that. I believe the yellow light goes on when 1 minute is left, and the red light means finish your comment and conclude your testimony. And if you are like most witnesses that we have in Washington, DC, the time will run out before you run out of things to say. Be assured that you will have an opportunity during the question period and the dialog period to supplement whatever you didn't have time to say during your testimony, and that we have read your full testimony, which will be made a part of the permanent record. So I would ask you to try to pay close attention to those red lights.

Second, there are many people here who were not able to be accommodated on the panel who would like to say something. Unfortunately, today we don't have time for you to verbally address this committee, but we have put signs up around the room. There are signs up, I think, with our address so you can submit written testimony. If you haven't been able to see such a sign or find that address, I'm sure that Senator Burns' staff here and—do they know how to contact your offices around here?

Senator BURNS. If there's any trouble.

[Laughter.]

Senator CRAPO. Get hold of Senator Burns' office. They will make sure that you know the address to which to send any testimony or any comments that you would like to send us in writing. We would welcome that. And those comments will be made a part of the official record of the hearing. So please be aware that those comments will not only be received and made a part of the hearing, but will be reviewed and be a part of the decisionmaking process.

Now, have I forgotten any instructions?

Senator BURNS. I don't think so.

Senator CRAPO. OK. Let's go on with the first panel, then.

Our first panel consists of The Honorable Sam Kitzenberg, a State representative and I understand running for State Senate, and The Honorable Eleanor Pratt, chairman of the Board of County Commissioners of Valley County.

We welcome you both to the hearing, and we will proceed in that order.

Representative Kitzenberg, you've already got a yellow light, so I think you'd better—

[Laughter.]

Senator CRAPO. Go ahead, Representative Kitzenberg.

**STATEMENT OF HON. SAM KITZENBERG, STATE
REPRESENTATIVE, GLASGOW, MONTANA**

Mr. KITZENBERG. Senator Crapo, Senator Burns, other distinguished guests today, for the record, my name is Representative Sam Kitzenberg from House District 96, and during the last session of the Montana Legislature I introduced House Bill 20, the Fish Hatchery Bill, on the first day of session, and it passed the last day of the session.

I'd like to begin by saying that Fort Peck is the largest body of water in Montana, and both of you have had an opportunity to fly over that this morning. The interesting thing about it is that it is one of the least-developed areas. It is 134 miles long and has an area of approximately 239,000 acres, which is more than the Pacific Coast of California. The potential for fisheries here is almost unlimited.

One of the interesting things about this area is that, while the winds of economic prosperity have crossed our Nation, the winds of economic prosperity have not crossed Montana. We are hurting. Several blocks, a half mile from here, the Penney's store just closed. The Dollar Store is on the verge of closing. I could take both of you around and show you many, many farms that are on the verge of bankruptcy. It may be raining today in Glasgow, but I think maybe that's symbolic that it is a rainy day and the clouds are dark in this area. We need some economic hope.

One of the projects that we've worked on to develop this was the fish hatchery bill. And I might add we have public support. I was very appreciative to know that Senator Crapo served 8 years in the Idaho Legislature, so he can appreciate this—that it takes a lot of hard work to get a bill through the legislature. I'm not so sure if it is harder in Congress or harder in the legislature.

We have a sign up at Glasgow High School, and it says, "Miracles come after a lot of hard work." I can testify that it took a lot of hard work by many individuals and many organizations to accomplish this.

As far as public support, last Thursday you wouldn't believe what this bill has in it. Last Thursday I had the privilege of joining Roy Snyder and Myron Gartner and Chuck Lawson and we went up to the Walleyes Unlimited Club at Marlton. If you were to tell me that my life depended on going over to Marlton and raising \$10,000 for a project, I would say, "You're crazy. They're hurting

worse up there than they are here.” That club raised \$10,000 for this project. The room was completely full. There were 250 people there, which was just remarkable.

That hasn’t been the only banquet that we’ve been to this year. We’ve seen this in other places.

I still remember the day that Chuck Lawson told me at Sagebrush Cellular that he had a great idea for a bill, and I asked him if he was serious about it. I remember flying to Billings with him and Roy Snyder to talk to the Walleyes Club about their support. Before take-off he said, “If you are shy about flying, you can sit in the front seat so you don’t throw up on us.”

[Laughter.]

Mr. KITZENBERG. “Chuck, I’m not fearful of flying, I just don’t want to hit a deer on the runway on take-off.”

“Sit down and shut up or I’m going to put a bag over your head,” Chuck said, and off we flew, to many walleye meetings in eastern Montana. Most of the time we drove, getting home late or early in the morning.

And Myron Gartner was along, too, tirelessly contracting and erecting over 85 signs throughout eastern Montana.

Fort Peck manager Roy Snyder, one of my personal heroes, was our facilitator. He came along, offering sound advice and free land for rearing ponds.

Then the legislative battle began. There were 50,000 copies of literature, phone calls, and letters. And I’m here to testify this was one of the top five issues, that legislators received more mail and calls about during the last session than any other piece of legislation. In fact, several legislators said, “You can be done with the phone calls and I’ll vote for the bill.”

[Laughter.]

Mr. KITZENBERG. I remember thinking during that first committee hearing of the House Fish and Wildlife and Parks Committee in the House that we were two votes shy. We counted heads. I was worried. And the bill could have died right there, but then a miracle happened and it passed out of committee.

One of the things I just want to share with you, one of the highlights of my life, besides carrying this bill, was one summer I had the opportunity to meet former Senator Burton Willard, and he had a cabin at the Glacier Park and I was there at a sales meeting and was told that he had this cabin, and I walked over to see him, and I got a chance to visit with him. There was a gleam in his eye, and one of the things he was so proud of, he told me, “It took me 15 minutes to convince FDR to build Fort Peck Dam.”

I have composed a poem today in salute of that, in honor of him. Mr. Robert Penske could not be here, so I offer my humble poem in testimony.

The Fort Peck fish hatchery—is it a dream or is it reality?

Only Congress can tell us now.

The Fort Peck fish hatchery passed the 56th Legislature session,

Introduced the first day and passed the last day.

Fort Peck fish hatchery needs you now.

Fort Peck fish hatchery—Lewis and Clark passed by it.

Working together, anything can be accomplished.

Fort Peck fish hatchery—April 29, 2000,

Cottonwood Internet, Glasgow, Montana, Senate Subcommittee hearing.

Welcome to Montana.

Senator CRAPO. Thank you very much, Mr. Kitzenberg.
 Senator CRAPO. Ms. Pratt?

**STATEMENT OF HON. ELEANOR PRATT, CHAIRMAN, BOARD OF
 COMMISSIONERS, VALLEY COUNTY, GLASGOW, MONTANA**

Ms. PRATT. For the record, my name is Eleanor Pratt. I'm Chairman of the Valley County Board of Commissioners. I extend a cordial welcome to you, Senator Crapo, and thank you to you, Senator Burns, for sponsoring this Senate hearing in Valley County.

Mr. Chairman, I feel the most important message that I can convey to you is that our entire community is in favor of the Fort Peck fish hatchery. Since it was first proposed in 1997, people throughout the community and many from across the State, from all walks of life, have jumped on the bandwagon to promote this new fish hatchery. They have contributed their own money, written letters of support, and traveled to meetings, all of which adds up to countless hours of time, and all at their own expense.

The economic base for this area is farming, ranching, and tourism. The fish produced should be compared to a commodity like that of grain and cattle; therefore, having a fish hatchery at the Fort Peck Reservoir makes good economic sense because it would be an environmentally sound resource for this county, as well as for the State of Montana.

This part of Montana is known as "Missouri River Country," and the tour guide brochures promote fishing.

The Fort Peck Reservoir is called "The Riviera of Northeast Montana." I can remember the first hearing or meeting I went to and said that. I thought that Senator Baucus would fall off his chair laughing. But I think of it that way—a diamond in the rough, the potential of which, some 66 years after its construction, has still not been realized.

Those who appropriated the funds to build the reservoir had no vision of how time would change the lifestyles of Americans. Travel in the 1930's was limited to the very wealthy. Today, travel is for the majority, for everyone, young and old. Fishing is big business, and fisherman dollars are good for the economics of Valley County and all of the other counties bordering the reservoir.

The need for economic help is better described as survival for this part of the country, for Valley County and other counties that have access to the reservoir.

I'd like to say, just so that you can understand that, that Valley County has a per capita income of just \$1 under \$19,000. Fergus County comes in at \$17,900, McCone at \$15,700. Phillips at \$15,000, and Garfield at only \$13,777—very low income.

There is fact I didn't file in my statement, but I'd like to add it now.

At the time the reservoir was built, privately owned land in Valley County taken for the Fort Peck project approximated 39,400. Other Federal lands in Valley County transferred to the Corps of Engineers for the Fort Peck project, approximately 110,000 acres. We have been waiting for this to develop.

To further emphasize the severe economic concerns of Montanans, our Governor, Mark Racicot, has called a special session for

this week, starting on May 8th, to specifically address economic development.

Good, productive land was taken for the reservoir, and the taxes that had been paid to the county were lost forever.

In summary, Mr. Chairman, we need your help, and that of your committee, to make the Fort Peck fish hatchery a reality. The support for the project is overwhelming. I travel throughout this State and I have never heard one opposition to this project. It is a cooperative effort—local, State, and Federal. The fish hatchery is important for the counties with access to the reservoir and for the entire State of Montana.

Thank you for allowing me this time. I ask for your support of the Fort Peck Fish Hatchery Authorization Act of 2000.

Senator CRAPO. Thank you very much, Ms. Pratt.

Senator CRAPO. Senator Burns, would you like to ask the first round of questions?

Senator BURNS. I don't think I have a question. I think they really were self-explanatory in their statements. I think we are aware of the challenges ahead, and I just want to express our appreciation to the county, Valley County, and to you, Sam, for your tireless work. I know this has been a labor of love for you.

As soon as this is all over and we are successful in building this, Sam, I'm going to come and take an English class from you.

[Laughter.]

Senator BURNS. But I have no questions for this panel. However, we do have some panels I will have some questions for.

Senator CRAPO. Thank you, Senator.

I have one question. Before I ask the question, I just wanted to say to Ms. Pratt that your testimony about the importance to the economic development of the community is very noteworthy, and I appreciate that. Again, the public support here is just overwhelming. I think that is a very significant factor in the committee's hearing.

The question I have is for Representative Kitzenberg. I know that it is tough to pass a bill in either the U.S. Congress or in the State Legislature. I wonder if you could briefly go over for me what kind of opposition you did face when you brought this issue before the State Legislature.

Mr. KITZENBERG. One of the things that we faced was I think an effort was made to divide the fishing community in the State of Montana and to warm-water fishermen and cold-water fishermen. One of the factors is that our State has had a tendency to favor trout fishing over cold-water fishing. So I think that automatically the cold-water fishermen got defensive.

One of the things that, in fact, I mentioned in my testimony was that it got to be kind of funny, because a fellow from the Mile High Fishing Club in Butte got up at one of our hearings and said, "You Canadians out there in eastern Montana," and that got a lot of laughter, I can assure you.

I think that, unfortunately, there are forces in our society that try to divide us, you know, divide and conquer. I think, once we put all our cards on the table and explained our proposal, that a lot of this—that there was no threat to the trout fishermen, that, in fact, this fish hatchery could actually, in some respects, facilitate some

of their efforts, too, and take out some of the pressure that they would be feeling. I think, once we laid all our cards out on the table, reason sort of prevailed.

I think, like any piece of legislation—and Senator Burns and I were talking about this, too—there are times you have to have hearings and you have to give people a chance to vent their prejudices and their arguments, and so a lot of this dissipated over the course of events.

But there was some opposition there. I think a lot of that was just clarifying what we were trying to do. And people get scared when you start talking about a fish hatchery. It's kind of like launching an aircraft carrier. They want to know if there is a need. You have to justify the need, and go into all of that. It takes forever with an aircraft carrier and also with a fish hatchery just to build it.

But, anyway, in the final analysis, the bill passed, through all of our opposition.

Senator CRAPO. Thank you. At this point, the differences between the cold-water fish interests and the warm water or intermediate water temperature—whatever those categories—warm water, cool water, and cold water fish interests, are they pretty much resolved now?

Mr. KITZENBERG. I think so.

One of the factors I used is I had a trout tie that I wore in the hearings. I didn't wear it today. I think that helped.

[Laughter.]

Senator CRAPO. I come from southeastern Idaho, about 90 miles south of western Montana, so I've done a lot of cold-water fishing. But I have to admit that I haven't caught a walleye yet in my life, so I think there's good reason I should get back here to this community.

[Laughter.]

Senator CRAPO. Did you have anything else to say?

Senator BURNS. Not any more.

Senator CRAPO. All right. We'd like to excuse you and thank you both for your testimony.

We'll call up our second panel, which consists of: Colonel Mark Tillotson of the U.S. Army Corps of Engineers, who is here from Omaha, Nebraska; Mr. Pat Graham, the director of Montana Fish, Wildlife and Parks; and Mr. Bud Clinch, the director of the Montana Department of Natural Resources and Conservation.

Gentlemen, we will take you in that order. You heard the instructions on the lights, so please try to follow the lights, and we will begin with you, Colonel Tillotson.

STATEMENT OF COLONEL MARK TILLOTSON, U.S. ARMY CORPS OF ENGINEERS, OMAHA, NEBRASKA; ACCOMPANIED BY DEBRA BREY, PLANNING ASSISTANCE TO STATES PROGRAM MANAGER FOR THE OMAHA DISTRICT, AND TED STRECKFUSS

Colonel Tillotson. Mr. Chairman and members of the subcommittee, I am Colonel Mark Tillotson, district engineer, Omaha District, U.S. Army Corps of Engineers. With me today are Debra Brey, the Planning Assistance to States program manager for the Omaha

District, and another member of the district who was instrumental in completing this study, Ted Streckfuss.

Thank you for the opportunity to present a statement on the findings of our study of a proposed fish hatchery at Fort Peck, which we conducted for the State of Montana under our Planning Assistance to States program, authorized by section 22 of the Water Resources Development Act of 1974, as amended. I understand that the Administration is developing a position on S. 2027, the Fort Peck Fish Hatchery Authorization Act for 2000, which would authorize Federal construction and cost-sharing of the hatchery.

From December, 1999, through March, 2000, at the request of the State of Montana Department of Fish, Wildlife, and Parks and local interests, the U.S. Army Corps of Engineers conducted a reconnaissance-level study of and prepared a conceptual design plan for a proposed multi-species fish hatchery at Fort Peck, Montana, under the section 22 authority.

For the study, the hatchery was sited on a 94-acre parcel of land downstream from Fort Peck Dam. In general, the study discussed: one, the need for and impacts of having a second warm-water fish hatchery in Montana; two, the types and production numbers of fish proposed for propagation at the facility; three, opportunities for raising endangered species, such as the pallid sturgeon; four, a preliminary design and cost estimate for construction and operation and maintenance of a fish hatchery; five, the availability of Corps land for the project; and, six, the availability of high-quality water and affordable power to operate the facility.

Through a collaborative effort, the Corps of Engineers and the Department of Fish, Wildlife and Parks determined that a facility consisting of 54 rearing ponds, having a total of 49 surface acres of water, and a hatchery building approximately 22,000 square feet in size would be accommodated on the proposed site. This facility would provide a reliable and cost-effective means of producing the desired fish species to meet the needs of the State of Montana, including walleye, sauger, tiger muskie, northern pike, chinook salmon, large-mouth bass, small-mouth bass, and catfish. The hatchery would also support the propagation of the endangered pallid sturgeon.

The study was completed on schedule. A summary report of the basic study findings was provided to the study sponsor in mid-March 2000, and the main report was provided at the end of March, 2000. Total study costs were \$250,000, with the State and the Corps each providing \$125,000.

Mr. Chairman, this concludes my statement. We would be happy to answer any questions you may have.

Again, thank you for the opportunity to participate in this Senate subcommittee hearing. We have enjoyed working with the State of Montana on this study.

Senator CRAPO. Thank you very much, Colonel.

Mr. Graham?

**STATEMENT OF PATRICK J. GRAHAM, DIRECTOR, MONTANA
FISH, WILDLIFE AND PARKS, HELENA, MONTANA**

Mr. GRAHAM. Mr. Chairman, Senator Burns, thank you for coming to Montana and the community of Glasgow to conduct this field hearing.

I am Pat Graham, director of the Department of Fish, Wildlife and Parks, for the record. I am here today to testify in support of the multi-species fish hatchery which has been proposed to be built below Fort Peck Dam in Senate Bill 2027.

Next year, the Department of Fish, Wildlife and Parks will be observing our 100th anniversary. We will celebrate a century of successful conservation efforts during which we helped restore fish and wildlife populations in the State from historic lows to the general abundance we have today.

The challenges of the next century may prove to be just as daunting. The demand for opportunities to fish, hunt, and otherwise interact with wildlife are growing, as are the costs of conserving habitat, providing access, and addressing the needs of federally listed species. Our financial resources, as a result, are stretched to the limit.

The growing demand for warm-water fishing, particularly on Fort Peck Reservoir, combined with the needs of addressing species like pallid sturgeon and sauger, are indicative of the issues we face.

Angling use on Fort Peck Reservoir has steadily increased. Since we completed our first warm-water fish plan for the State in 1985, fishing use on Fort Peck Reservoir has tripled. Fort Peck has never been an easy reservoir to manage for fisheries because of the water fluctuations during drought years and providing water for downstream interests, as well as the fact that the shale substrate in the reservoir makes it unsuitable for spawning for species like walleye.

As a result, fisheries management has relied heavily on the use of hatcheries stocking to provide a fishery since 1942.

It was in 1983 when the U.S. Fish and Wildlife Service decided to abandon its warm-water fish hatchery at Miles City, but the State's interest in this began to expand. At that time, the Legislature made a determination that the Department of Fish, Wildlife and Parks would take over that facility. Quite frankly, it was falling apart, but it, nonetheless, became the cornerstone for development of the warm-water fish program.

Over the next 14 years, we invested \$6.5 million in rehabilitating that facility. Today, 75 percent of the production from that facility goes to a single body of water, and that is Fort Peck Reservoir.

Fort Peck could utilize even more walleye. The rest of the State does not have its needs met, either.

When the Legislature last met in 1999, they were made aware, as Senator Kitzenberg—Senator, he hopes—Representative Kitzenberg mentioned—

[Laughter.]

Mr. GRAHAM.—they were made aware of the need to construct a multi-species hatchery for Fort Peck, and it passed in the form of House Bill 20. And it also created a warm-water fishing stamp to assist in funding the project.

During the debate, recognition for the need of a hatchery, the Legislature was convinced of the need for the hatchery, but that

was tempered with a strong feeling that the hatchery would be largely a Federal responsibility. And Montana's conclusion that it should be a Federal responsibility, in large part, is due to some of the unfulfilled promises from the Pick-Sloane legislation, which I mention in my testimony in more detail.

In addition, we believe it is consistent with the Federal Projects Recreation Act.

Montana also believes that we contributed fairly to the recreational fish and wildlife development of the Fort Peck Reservoir over the past 53 years, and Senate Bill 2027 recognizes that contribution by allowing Montana to use our contributions as a match for the construction of the hatchery, and we appreciate that recognition. We have calculated costs since 1983, and we estimate that Montana has spent in excess of \$11 million.

The other issue is who pays and how much for the ongoing operation of the hatchery. The annual cost for the State to rear and stock fish at Fort Peck Reservoir were estimated. We estimated those costs for a time when the Fort Peck hatchery would be completed at an annual cost of about \$750,000 a year. What that includes is a cost for egg collection, the operation of the Fort Peck hatchery, and 75 percent of the cost of the Miles City hatchery, including the cost of distribution of those fish.

Montana will pay for the collection and transportation of the eggs, will pay for the operational costs of the former Federal hatchery at Miles City, and the costs of distribution of those fish, in an amount of \$395,000 a year. In addition, revenues generated from the warm-water fish stamp are estimated to be between \$100,000 and \$125,000 a year currently. We hope that that number will continue to grow.

The Legislature limited by statute Montana's contribution to the hatchery to the dollars generated from the stamp. These expenditures collectively will equal two-thirds of the cost to stock and rear fish for Fort Peck Reservoir. We believe that's a fair contribution.

The Federal portion then would be one-third of the cost, which would primarily be for the day-to-day maintenance and operation of the Fort Peck facility.

The State, in addition, is spending over a quarter of a million dollars per year on endangered pallid sturgeon, sauger restoration at our fisheries.

In conclusion, I would like to thank you both for coming here today and let you know that we strongly support Senate Bill 2027.

[Applause.]

Senator CRAPO. Thank you very much, Mr. Graham.

Mr. Clinch?

STATEMENT OF BUD CLINCH, DIRECTOR, MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, HELENA, MONTANA

Mr. CLINCH. Senator Crapo and Senator Burns, first I'd like to thank you for inviting me to provide testimony here this morning.

For the record, my name is Bud Clinch, and I am the director of Montana's Department of Natural Resources and Conservation, but for purposes of today's testimony, I am speaking to you on behalf of a much larger group, the Missouri River Basin Association.

The Missouri River Basin Association is a group of Governor-appointed representatives from each of the States that border on the Missouri River, and that would be Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming. In addition, we have one representative from a coalition of tribes.

MRBA has been involved with Missouri River Basin issues for nearly a decade. Over the last 5 years, at the request of the Corps of Engineers, we began to develop recommendations on a river operating plan. As you may be aware, similar to the controversy that has existed on the Columbia River Basin in your home State, similar controversies have surrounded operation of the Missouri River for decades.

Our involvement, at the request of the Corps, was to try to bring some closure to those conflicts associated with water reservation, storage levels, and downstream uses for water supply, hydroelectric, as well as navigation.

Over those 5 years, we conducted a number of hearings, bringing constituents together from the various constituency groups across the basin, and several people from the Montana contingency are in this room.

Throughout that process, we ultimately came to some consensus recommendations that the entire basin could support relative to development and activities with the Missouri River operations. One of those recommendations was the expansion of recreational opportunities up and down the basin, and included in that recommendation is the recommendation for a fish hatchery to be built at Fort Peck.

MRBA has worked with water users and interests to address the more-difficult issues of drought flow management and recovery of the basin's threatened and endangered species, as well. The entire basin supports the concept of increased recreation and development of a fish hatchery at Fort Peck for a variety of reasons. Many of those have been stated, but let me reiterate those.

The development of a fish hatchery at Fort Peck will help turn Fort Peck Reservoir into a world-class fishery. The fish hatchery will be good for the economy of the State and the region, and improvements to the Fort Peck fish hatchery will draw fishermen and recreationists from around the country.

The fish hatchery would provide mitigation for the ongoing impacts to the Fort Peck fishery from the river system operations in water releases for downstream users.

In addition, the warm-water fishery can augment pallid sturgeon, a federally listed species. Sturgeon fry could then be released into their traditional waters of the Yellowstone River and the Missouri River below Fort Peck.

In summary, the fish hatchery at Fort Peck makes good economic sense and environmental sense. Fort Peck Reservoir has incredible fisheries potential for multiple species if appropriate stocking rates can be implemented. Now is the time to invest in such projects because of the upcoming commemorations of the Lewis and Clark journey, when we are faced with tens of thousands of additional tourists coming to this region.

The fish hatchery can enhance the reservoir attraction, it can restore an endangered species, and it can provide for economic

growth. For all of those reasons, MRBA urges your support of Senate 2027.

In addition, I'd also like to remind you that, as this legislation goes forward through our affiliation with the other basin States, that we can provide you with additional support from Senators from our neighboring States. I know that Senators Kerry and Bond have legislation pending, as well, relative to the fish and wildlife mitigation measures on lower sections of the river and it is likely that the Kerry bill may become attached to the WRDA bill. I think there are some natural coalitions that can be developed here that are far broader than Montana, and we look forward to helping you with those matters.

Thank you.

Senator CRAPO. Thank you very much, Mr. Clinch.

Senator Burns, would you like to ask questions?

Senator BURNS. You've got one great supporter of this that doesn't live here, so you can't go anywhere that you can't get beat on on this, Sam. It's on both ends of the State. You can't go to Flathead and expect any relief.

[Laughter.]

Senator BURNS. Tell me, on the basin, on that coalition, could they or would they or can they provide some financial help on the O&M? Do you know if that's possible, as we wrestle with dollars on the operation and maintenance, have we got a proper estimate on what it is going to cost to operate it after we build it?

You might want to take a shot at that Colonel, or anyone.

Mr. CLINCH. My affiliation with the Missouri River Basin Association is annual and monthly meetings with other program directors like myself. Relative to the financial aspect, are there financial aspects that I could bring to the table from the State of Montana? I don't know. I have no indication if any other State is willing.

What we would probably would do is collectively to lobby Federal legislation to get dollars either through the Corps or Fish and Wildlife Service budget, or something similar to that.

We have discussed funding for a variety of the other recommendations that we've made relative to the Missouri River, and we do have broad support from all those eight States for those efforts.

Senator BURNS. Pat, do you want to walk us through that part of your testimony on the financial support and how much we can expect and what is expected from other folks, as far as the O&M, after we build it?

Mr. GRAHAM. Certainly, Senator.

Attachment eight to our testimony basically lays out our best estimates at this point. We are estimating that, by the time that all of this were to come to pass, it will probably be about 2005 before we will actually have a fully functioning operation, so those are years we tried to estimate the costs.

What we did was we talked those out across the board with what it costs, what we believe it will cost to manage this reservoir fishery and the hatchery program, which includes the egg taking and the distribution, as well as the daily operation cost for 75 percent of the Miles City hatchery.

What we're estimating on the Fort Peck hatchery is it would be about \$375,000 a year operations costs—again, those are estimates—of which, we are again estimating—we're just in the first year of collection of revenues through the warm-water fish stamps, and we don't have a hard dollar figure on that, but we're estimating \$125,000 for that stamp, and that will go directly into offsetting that \$375,000, so that will bring that number down to \$250,000.

In addition, we would pick up roughly \$100,000 a year of cost relative to egg collection and fish distribution, and then about \$300,000 a year is what 75 percent of our Miles City hatchery costs for stocking fish.

So that's where the numbers come from. All together, that is about \$750,000.

Senator BURNS. For the record, give me an estimate on the difference in the size of the facility that you have at Miles City and what we would have here.

Mr. GRAHAM. The facilities really aren't that different in size. They are a little bit differently configured here in terms of surface acreage. We have some larger ponds at Miles City, so there would be more ponds but they would be smaller ponds in the Fort Peck hatchery. I think the Fort Peck hatchery would be somewhat larger, and maybe Colonel would want to speak to that. I can't give you the exact pond acreages without looking that up.

In addition, there will be eight raceways at the Fort Peck hatchery that will provide chinook. And what we're looking at with the chinook is it's really a part of a three-State effort. As I'm sure Senator Crapo can appreciate and others, it really requires—because the salmon die after they spawn, you can't hold them. Whatever comes back is what we get. Each State goes its own way, and we have good years and bad years. So what the three States are trying to do—North Dakota, South Dakota, and Montana—is an agreement that we share our abundance as well as our difficult times, so we kind of develop a little bit more consistent fishery in all three States for chinook. That's where part of our multi-species comes from.

The other part would be to provide some capability there to rear sauger, and pallid sturgeon, one of which is already listed as endangered and the other one is being considered to be petitioned. I think that will significantly alter and has already altered normal operations.

Senator BURNS. What really caught the eye of some of our colleagues in this, as far as providing funds and the authorization, is that this fishery actually had a great deal of flexibility, where we could deal with some of the endangered species. In other words, it has strong environmental plans for reestablishment of those species. I think it is a step in the right direction.

Colonel, did you want to offer any comment with regard to that?

Colonel Tillotson. The costs that we have projected—and this is a reconnaissance-level design—is we've got just under \$330,000 is what we figured O&M costs would be.

In doing a comparable analysis, we looked at two other fish hatcheries, one located in North Dakota and the Lost Valley Fish Hatchery, which is located the north side of Missouri, which was just completed in March, 2000. These were two similar type facili-

ties that we were cost comparing in terms of construction and the O&M.

Senator BURNS. Thank you very much.

Senator CRAPO. Thank you.

Colonel Tillotson, you referenced in your testimony that the Administration is developing a position. Do I take from that that the Administration does not yet have a position on this legislation?

Ms. BREY. Yes.

Senator CRAPO. OK. Could you take this microphone and explain that a little better? There are no authorities for this under the current budget?

Ms. BREY. Right.

Senator CRAPO. Would the statute clarify that?

Ms. BREY. Yes. We are providing information for the legislation to help clarify what our authority would be. We currently do not have a position one way or another. The study we did was strictly from a feasibility level. We wanted to provide the technical information on which the State could make a decision whether a fish hatchery could be supported.

Senator CRAPO. Do you expect, then, that the Administration will not take a position on the legislation until Congress does, or do you expect a position recommending or upholding legislation would be taken by the Administration?

Ms. BREY. I would think they would wait for the legislation before they take a position.

Senator CRAPO. All right. Thank you very much.

Colonel and Pat, I may want to get both of you involved in this. As I read both of your sets of testimony and listened to it, I'm having a little difficulty comparing the numbers. You each approach it from different perspectives, as I see it. You've got different numbers in your testimony.

Colonel, your testimony—why don't we start out with the construction of the facility and see if there are any differences there. It says total project costs will be \$18,754,000; is that correct?

Colonel Tillotson. That's an estimate. Yes.

Senator CRAPO. Pat, do you have any different numbers on that regard on the subject? And then, with regard to the operation and maintenance, Colonel, your testimony is just a little under \$330,000—\$328,950. And I believe that that is focused—well you've got categories there on what it is, but it is essentially the operation and maintenance of the fish hatchery facility, itself.

Pat, you had some different numbers which were larger, but I assume that's because you were looking at a larger picture of what operations would be needed for the production and distribution of the fish, as well as maintenance of the fish hatchery; is that right?

Mr. GRAHAM. Mr. Chairman, I believe that it is a function of which year you choose to use the dollars, and what we tried to do in our chart is incorporate inflation for the actual year it would become constructed. So it would be—I don't think we're using different sets of numbers.

Senator CRAPO. The two of you don't think there's any real difference in the numbers except for the inflation factor?

Mr. GRAHAM. I believe that's the difference there. We propose it in 2005 dollars, an inflated amount for that period of time.

Senator CRAPO. OK. One of the questions I have is, after we boil all this down and we look at the various categories in your attachment eight, Pat, and I see the various sources of revenue support coming from the State of Montana, in terms of dollars, using the \$330,000 figure, could you give me an estimate as to what portion of that the Federal Government could expect to be picking up on an annual basis?

Mr. GRAHAM. Of the \$330,000?

Senator CRAPO. Yes.

Mr. GRAHAM. If our estimates are correct—again, we're making estimates on the warm-water fish stamp, so I can't be precise.

Senator CRAPO. I understand that.

Mr. GRAHAM. But it would be about \$200,000.

Senator CRAPO. So the Federal Government would be looking at somewhere around \$200,000 in this year's dollars?

Mr. GRAHAM. Correct.

Senator CRAPO. Colonel, where would that come from?

Colonel Tillotson. That would come out of our own budget. Normally, we would not include it in, but, of course, if it was legislated we would do that.

Senator CRAPO. So, in other words, in the annual budget presentation to Congress, this will be included in what you request?

Colonel Tillotson. If the legislation passes.

Senator CRAPO. Assuming the legislation passes.

Colonel Tillotson. Yes. They have to have authorization, and it becomes part of their budget.

Senator CRAPO. Right. And, Colonel, I understand that the Corps has land available; that there is no problem with regard to the availability of the land?

Colonel Tillotson. That's correct.

Senator CRAPO. Mr. Clinch, I was also very interested in your testimony with regard to the eight States and the tribes. Now, I understand the tribes are represented by one representative, but there are a number of tribes represented by that one representative on the coalition?

Mr. CLINCH. That's correct.

Senator CRAPO. So there are eight States and a number of tribes represented on the coalition, and the coalition, the MRBA, has taken a position toward this project?

Mr. CLINCH. That's correct. The issue first emerged early on in our process several years ago, when we were talking about various mitigation measures around the basin. I believe in the audience here is one of our representatives who carried that message to Bismarck, North Dakota, for our first meeting and on to the Kansas City meeting. The MRBA included this as part of the recommendations of the entire basin package that includes recreation and other economic developments up and down the basin.

Senator CRAPO. As you suggested in your testimony, I'm very familiar with the water management issues that we face in the Columbia River Basin during the salmon and steelhead issue, so I am interpreting what you are saying as the eight States that are involved in the Missouri River are looking at these similar types of issues with regard to water management and economic and recreational growth and environmental protection, and they are con-

cluding that it is proper, for the management of the Missouri River at this point, that we proceed.

Mr. CLINCH. That's correct, Senator. Basically, the issue here has to do with the reservoir level that is maintained, and that is highly dependent upon the demands downstream for navigation. One year this reservoir is maintained at a full level and provides adequate recreational opportunities, and, then like we had in the late 1980's and early 1990's during drought years, it was drawn way down. Consequently, the fisheries are impacted.

Those issues were all heavily debated and discussed as we talked about the continued operation of the Missouri River for all of the various users, and I believe that the consensus position reflected that while we can't give Montana a surety of maintaining the reservoir at the perfect level all the time, having a fish hatchery is one way to mitigate for the impacts associated with the fluctuating levels of the reservoir. That's a concept that our downstream representatives are willing to support, in exchange for us supporting some of the ongoing reservoir operations that impact us here in Montana.

Senator CRAPO. That's very helpful, because, as I indicate, the management of the entire Missouri River watershed, if you will, is impacted by the decisions made with regard to the management and operation of the Fort Peck Reservoir.

Mr. CLINCH. Very much so.

Senator BURNS. If the Senator would yield, we got in a terrible spat with Missouri and Kansas, if you remember, back in about 1992. We were going through some dry years, and they drew this reservoir way down, and Senator Baucus and I were very much involved, and all the Senators that represented those States.

We took along on the point that they have railroads on both sides of that river all the way to Sioux Falls, if they wanted to use those railroads. Well, we got into a little water fight. How do we use the water?

So let me ask a question on that. Are you fairly comfortable with the situation with the compact that we won't see those years again, that we can see a better, steadier maintenance of that flow?

Mr. CLINCH. I can't say I'm confident of that, Senator, because right now we are embarking on the process of review of the master control manual, and that's the guiding document that guides the Corps in how they manage those reservoirs during all of those various years.

The 5-year process that I have been involved in with the neighboring States was aimed at trying to reconcile those differences that you referenced.

We basically came to a consensus agreement; however, we recently found that there is some controversy associated with that now relative to the potential impacts that threaten two endangered species, both the pallid sturgeon and the piping plover, which is a shore bird that nests in the stream.

So this process is ongoing as we speak right now, with a formal consultation between the U.S. Fish and Wildlife Service and the Corps relative to the development of the Master Control Manual. While that may seem like an obstacle, it really provides somewhat of a springboard for the issue before us. The pallid sturgeon is very

much a species of concern nationwide. It has interesting impacts to our downstream States. That's why I said that I believe we can get broad support from those adjacent States who are concerned about water management and water releases in Iowa, Kansas, Nebraska, and Missouri if the hatchery can augment those populations, as well.

Senator CRAPO. So management of the hatchery has important environmental ramifications with regard to the entire Missouri River management?

Mr. CLINCH. Absolutely. And I think the dovetailing of it, both as a warm-water sport fisheries with the potential of rearing threatened or endangered species, is a vital link that will bring broad support. I think it can help us with these difficult resource issues well in the future.

Senator CRAPO. Thank you.

My last question for this panel is back to you, Mr. Graham, and it sort of springboards from what we have just been talking about.

In your testimony you talk about the Federal connection, why the Federal Government should be involved in the construction and operation and maintenance of this facility. Could you just elaborate a little more on that Federal connection? I know we've just been talking about part of it here.

Mr. GRAHAM. I talk about the more-recent part, the ongoing operations of the reservoir. Getting to that, I guess part of it started with the historical connection to the Pick-Sloane process in the State and the fact that, while there were a lot of projections made about the contribution to be made to agriculture, recreation, and other things, very little of that ever came to pass. Just a small percentage, less than 10 percent—maybe more like 5 percent. The projections were never realized about that process, and probably won't be.

So, from that perspective, this goes back to even longer-term commitments, I guess, at the time people felt were made to invest in Montana as part of these projects.

So, combining that with the ongoing issues related to the reservoir operation, endangered species, and recreational benefits that the State of Montana—you heard about the difficult times that the agricultural community continues to experience in the State. We have communities in the agricultural part of the State that feel sport fisheries could be an economic boost to their community, and that certainly sends, I think, a strong statement to all of us for investing in that.

And so, from that perspective, I guess that the economic expectations that were created with Pick-Sloane may not have envisioned a fish hatchery at the time, in a lot of ways that is what it is going to take to continue to, in effect, grow a recreational base to get people to travel the distance to come to places like Fort Peck Reservoir to enjoy it.

Senator CRAPO. Thank you very much.

Did you have anything further?

Senator BURNS. Just a followup with Pat.

In your estimate, was the power cost figured into your figures, if we experience an increase in power costs?

Mr. GRAHAM. Senator, I'm not sure I can speak to that. I believe there were certain assumptions made about the power cost, and so I assume that for the assumptions we are both operating off of the same one, so I think that we have made some estimates about what the cost of power would be and those are calculated in there, and they were reduced rates over what we would get.

I think, in my understanding, that would take some Congressional action.

Senator BURNS. Thank you.

Senator CRAPO. All right. We thank you very much. This panel will be excused.

We will call up our third panel, which is: Mr. Chuck Lawson, chairman of Citizens for a Fort Peck Fish Hatchery; Mr. Robert McColly, Valley County Electric Cooperative; and Mr. Carl Seilstad, State president, Montana Walleyes Unlimited.

Gentlemen, we thank you for coming before us today. We will go in the order indicated and start with you, Mr. Lawson.

STATEMENT OF CHUCK LAWSON, CHAIRMAN, CITIZENS FOR A FORT PECK FISH HATCHERY, GLASGOW, MONTANA

Mr. LAWSON. Mr. Chairman, first of all, I would like to thank you for inviting me here today to testify.

For the record, my name is Chuck Lawson. I am the chairman of Citizens for a Fort Peck Fish Hatchery. I represent thousands of citizens, both resident and non-resident, who have come together to improve warm-water angling in Montana and at the same time try to help Montana's struggling economy.

Statistics show that annual inflation in Montana has increased dramatically in the last five to 8 years. Some of these increases have been as much as 150 percent. We feel the need for a second hatchery is extremely critical.

We had Senator Sam Kitzenberg offer legislation that a warm-water stamp would have to be purchased before angling for warm-water species, and legislation to propose the new fish hatchery. The funds from the warm-water stamp will be used to fund the administration, maintenance, and construction costs of the new hatchery. We took this piece of legislation through and got both the stamp and the hatchery passed into law.

Our next step was the conceptual design and cost study for the Fort Peck hatchery. We needed to do this quickly because there is an amendment to the hatchery legislation that states that we must have full Federal funding by June 30, 2001, or this hatchery project will die.

Senator Burns was instrumental in helping us find a 50 percent cost share from the U.S. Army Corps of Engineers' planning assistance to States program. We needed to come up with the other 125. The State didn't have that money, so we approached our local bank and we asked if we could borrow \$125,000 against the warm-water stamp.

Our local banker stated he would check into this and let us know. At the same time, we got the go-ahead to use the stamp money to repay this loan. The stamp didn't go on sale until March of this year, and we needed that money in December of last year.

About a week later, our banker called and stated that he had 14 banks, two credit unions, and a telephone cooperative that would take equal portions of this loan to loan us the money for the study.

It was quite an accomplishment in a short time. It was a risk, because nobody knows for sure how much the warm-water stamp will raise.

The study is now completed and has been given to the Montana Congressional delegation to try to secure funding for the hatchery. We believe that the Federal Government has some obligation to help with this funding. They came in and built that dam in the 1930's. Montana citizens were promised low-cost power, as well as irrigation water from the Fort Peck project. As of today, I don't know of anyone that operates or irrigates out of Fort Peck Reservoir on any big-scale basis, and the power that is generated here goes back east.

So Montana and the citizens have been promised all of the benefits from Fort Peck, and, at the same time, Montana and its citizens have spent millions of dollars trying to improve recreation along Fort Peck Reservoir. When the dam was built, the water behind the dam flooded some of the most productive agricultural land in part of eastern Montana. Montana has also built access roads around the lake, and they have maintained these roads for many, many years.

We also feel that the dams along the Missouri River has altered the migration of both the pallid sturgeon and threatened species, and we also know that sauger is a species native to the Missouri River and a very popular sports fish here in Montana. Their numbers are dwindling, and they are becoming a species of special concern for Montana's Department of Fish, Wildlife and Parks.

We, as citizens, are not afraid to do our part. We have enforced a self-imposed \$5 stamp, which will help pay for the operation and maintenance of the hatchery, once operational, and we will assist Fish, Wildlife and Parks in many areas of fish production, both monetary and with volunteer labor. So we are not asking the Federal Government to do this, but to be a partner with the State, the private sector, and citizens to help make this truly a win/win situation for all parties involved.

Thank you, Mr. Chairman.

Senator CRAPO. Thank you very much, Mr. Lawson.

Mr. McColly?

**STATEMENT OF ROBERT MC COLLY, VALLEY COUNTY
ELECTRIC COOPERATIVE, HINSDALE, MONTANA**

Mr. MCCOLLY. Mr. Chairman, Senator burns, thank you for inviting me to testify at this hearing today.

For the record, my name is Robert McColly. I am a life-long resident of Valley County, Montana. I am a former Board President and member of Valley Electric Cooperative of Glasgow, a former member of the Electric Consumers Association of Denver, former Board President and member of the Midwest Electric Consumers Association, and former board member of the National Rural Electric Cooperative Association of Washington, DC. I have been with the rural electric cooperative movement since 1964. Today I am speaking on behalf of Valley Electric Cooperative of Glasgow.

First, I would like to assure you that we are very much in favor of the warm-water fish hatchery at Fort Peck, which is the subject of this hearing, S. 2027. We believe that its establishment will be beneficial to the entire State of Montana, as well as Valley County. We do, however, have some very serious concerns about the power supply provisions contained in section six, cost sharing, (b)(3), where it states, "The Secretary of the Army shall offer to the hatchery project low-cost project power for all hatchery operations."

Marketing of power produced at Fort Peck and other Missouri River dams is not the responsibility of the Corps of Engineers, but rather the Western Area Power Administration, WAPA, which was established in 1977 for that specific purpose. All of the generated power is presently under contract. That means that any legislation enacted that calls for additional allocations of that power would withdraw power from existing customers. Valley Electric Cooperative can ill-afford the loss of that allocation.

The Flood Control Act of 1944 provided that the federally generated power would be first offered to the consumer-owned utilities of the region, but that is not enough power to supply the rural electric demand. Basin Electric Cooperative and Montana Power Company are the main sources of that supplemental power.

The hatchery will be the Valley Electric Cooperative service area. If Valley Electric supplied the power, the hatchery would receive the benefits of the Pick-Sloane power at least on the same basis as the rest of the consumers. Valley Electric is capable and willing to provide the electrical power for the hatchery facility and I strongly believe that is the proper and fair way it should be handled.

Again, we are very much in favor of the proposed fish hatchery, but we just don't think the power for it should be at the expense of our rural electric customers.

Thank you for hearing our concerns.

Senator CRAPO. Thank you very much, Mr. McColly.

Mr. Seilstad?

**STATEMENT OF CARL SEILSTAD, STATE PRESIDENT,
MONTANA WALLEYES UNLIMITED, ROY, MONTANA**

Mr. SEILSTAD. Mr. Chairman, Senator Burns, I would like to thank you for allowing me to testify.

For the record, my name is Carl Seilstad, and I am the current president of Walleyes Unlimited. It is an honor to represent Walleyes Unlimited and all our warm-water fishermen across the State in promoting the multi-species fish hatchery.

Walleyes Unlimited is an organization that helps promote, enhance, and protect the future of fishing in Montana. We have a membership in excess of 4,000 members. We have 18 chapters scattered across the State of Montana. Warm water anglers are all over the State.

Individual citizens as well as various organizations have put forth a lot of time and effort to promote the hatchery to where it is today. People who have said that they do not even fish have jumped on board with us and are helping us out. This defines the amount of support we have received on the hatchery.

As of April 23, 2000, \$63,867 has been contributed to the hatchery fund. Walleye Unlimited chapters, private citizens, and various

businesses and organizations have contributed to this fund. These funds are what is helping us pay off the loan that Chuck was talking about that we took on for the conceptual design.

We as Walleye Unlimited members strongly believe the new hatchery will help preserve and protect the future of fishing for generations to come.

Mr. Chairman, you've heard about the economic importance of the hatchery, endangered species, how fishing is increasing, but I think we're leaving out something here, and I'll go into that right now, and that's that our Walleye Unlimited chapters across the State each year conduct kids' fishing days. We teach young anglers knot tying, importance of catch and release, various fishing techniques and ethics. We feel it is very important to get our children involved in fishing.

Montana Fish, Wildlife and Parks has started a program, "get hooked on fishing, not on drugs."

The schools and teachers across the State that are involved in this program, when they sign up for it they are sent fishing tackle from the State Fish, Wildlife and Parks and booklets on techniques and ethics of fishing. Field fishing days and classroom activities make this program very beneficial.

Young kids, when they net their first walleye, it's just like their first deer they kill. They get a grin from ear to ear, and it is like you put a beam of light in them. They start glowing like crazy.

We do all of these activities and programs for our future anglers. Let's ensure these young people we will have quality warm-water fishing in the State. The new warm-water, multi-species hatchery will help make this goal a reality.

Thank you.

Senator CRAPO. Thank you very much, Mr. Seilstad.

Senator Burns?

Senator BURNS. I want to pursue this thing of power for the hatchery down there. We want to work with you and the cooperative in order to make that possible. What would be the difference in the cost of that power? Do you have a current estimation on that on the provision of providing power?

Mr. MCCOLLY. Sir, I don't really know what the difference of cost would be. I know that each one of the rural electric cooperatives that have an allocation have turned that allocation over to Central Montana Electric Cooperative, which is the wholesale supplier to those rural electric systems in central Montana. It has been pooled there and redistributed on the per capita basis to the rural electric systems that are involved in it.

It has been quite a few years since I have actually been involved in it, Senator, so I don't really know what those costs are.

Senator BURNS. You talk about all the power. Is there enough power? Do we have enough power?

Mr. MCCOLLY. We have supplemental power that provides the rural electric systems, and most of that power is purchased from the WAPA. We take all the WAPA power that we can get, but they keep reducing it. In fact, at the end of this year we are going to lose 4 percent of the WAPA power. That is being reallocated to the tribes. That will come off of the allocation that we currently have.

The power that we don't have, we don't have enough WAPA power to serve our systems, but the supplemental power we purchase from Basin Electric, which is a wholesale power supplier in Bismarck, and some of it from Montana Power Company. But we do not have enough WAPA power to supply our customers.

Senator BURNS. OK. I think this is probably our greatest challenge, the operation. We look forward to working with you to make sure we've got electricity to operate that thing. Thank you.

I just want to take an opportunity to let everybody know Senator Baucus' State representative is here, Sharon Peters. Sharon, wave your hand back there. If you have questions of his office, Sharon is here and she will help you.

I think that, in itself, as we move this legislation through, as it impacts the rest of your ratepayers, is where we find the challenge, and we look forward to working with you on that.

Mr. MCCOLLY. We appreciate that.

Senator CRAPO. Thank you.

Mr. McColly, I want to followup on that a little bit. Do you know what the average cost of power is for your cooperative?

Mr. MCCOLLY. I'm sorry, again, Senator. I kind of retired from this business about 10 or 12 years ago and have been trying to stay away from it.

[Laughter.]

Senator CRAPO. Smart move.

I notice here in the report that the projected costs for electricity are about \$31,250 per year. I know in your testimony that project rates for electricity is 2.5 mils, where the customers of yours were paying 13 and 14.54 mils. I don't know what rate the proposal is that the legislation contains right now, what that rate would be. Do you have an idea about that?

Mr. MCCOLLY. I'm sorry. I don't have the foggiest idea.

Senator CRAPO. All right. Well, that's something we are going to have to investigate so we make sure we take into consideration the concerns you've raised. We do want to work with you on that.

Mr. MCCOLLY. Thank you very much.

Senator CRAPO. Mr. Lawson, you indicated that the State legislation contained a deadline for a Federal commitment. Was that June 30th of 2000?

Mr. LAWSON. It is June 30th of 2001 that we've got to have a firm commitment of Federal dollars. I don't know if the amendment is specific as to how many Federal dollars.

Senator CRAPO. I was going to ask that next.

Mr. LAWSON. I know we do need some Federal commitment according to that amendment.

Senator CRAPO. All right. And I wondered in your testimony, where you talked about the connection to the Federal obligation, and you indicated that some of the Federal dams on the Missouri River have caused some species issues in terms of water flows and obstruction of fish paths in the river. Is that what the impact was?

Mr. SEILSTAD. Yes.

Senator CRAPO. I want to say that I agree with the analysis that you and several others here have made that the Federal Government's interest in protection and management of endangered species involves not only just passing legislation to mandate the pro-

tection, but participating in that protection, because it becomes a Federal issue simply because of the costs that are imposed as a result of the Endangered Species Act, itself. That's a big issue that we are facing over in my part of the country with regard to the salmon and steelhead, as well. I have been saying the same thing for a long time. I'm glad to see the same issue in the context that you have here.

I was also interested, Mr. McColly, in your testimony, because you pointed out something to me that may be understood but not recognized, which is that the changes in the management of the flows of the rivers that are mandated under the Endangered Species Act have, on occasion, caused the loss of power production, and that loss of power production, again, is a cost that we made, as a society, to achieve these purposes of the Endangered Species Act. It is, nonetheless, a cost that is imposed, in this case, on the customers of Valley County Electric Cooperative as a result of the efforts to protect and strengthen these species.

It is very appropriate to do that, but it is also appropriate that we recognize that and recognize the fact that that cost is being born to pay for a Federal statutory mandate by the people of those communities, and one more reason for the justification of Federal involvement in putting together support for this facility so we can have Federal support for some of the management costs that are required in achieving these objectives. So I think that it was interesting to see both sides of that coming out.

The last thing I will say, Mr. Seilstad, I don't have an actual question for you, just a comment. When you talked about the kids with the grin on their face when they catch their first walleye, well, I haven't had that grin yet.

[Laughter.]

Senator CRAPO. Senator Burns, we've got to talk about this once we get back there.

Senator Burns, did you have anything to say?

One other comment I do want to say, as we are just about ready to wrap up, is related to—we are virtually on time. This is a great community.

[Laughter.]

Senator BURNS. We never get done. This is the only place where you can be 15 minutes late and 30 minutes early all at the same time.

Curtis Swanson is also here from Congressman Hill's office today. I saw him a while ago and spoke to him. I failed to introduce him.

This is a delegation project, and we want to keep it that way if we possibly can to make sure it moves forward.

I just want to say to the folks at Walleye Unlimited, nothing like this ever happens without somebody burning a lot of rubber off their tires and spending a lot of hours. All of this works together. You've got to pick up and do some things to make it work, and I want to thank you for that, all of you, because we know it is a labor of love and we don't get paid a lot for it. I guarantee you that. I guess it is in the smile of a kid.

This is the only society in the world, folks, that we live today so that our kids will have a better tomorrow. All of us do that. It's

in the history of this country. That's what built the country. All of us sitting here today for this fish hatchery cannot expect a lot of benefits in our lifetime, but think of the effect it will have for this community and the next generation and the next generation of Americans that come up to follow us. That's what this is all about. It's not about us. After all, I'm getting to the point where I'm just circling the drain.

[Laughter.]

Senator BURNS. I just look around this crowd and we all do it for the next generation, because that's very, very important and that is the American way.

Thank you for coming today. Thank you, Mr. Chairman. We welcome you to Valley County, Montana.

Senator CRAPO. Thank you, Senator.

Senator Burns always brings us that down-home humor back in Washington. We look forward to it.

He reminds me of another joke I heard, when you talk about Washington being one of the places where you can be 15 minutes late and still 30 minutes early to a meeting. I heard it also said that Washington is probably the only city in the country where you can drive from one side of the town to the other side of the town and never leave the scene of the crime.

[Laughter and applause.]

Senator CRAPO. Let me also, before we close this hearing, tell you all, again, thank you very much for the warm welcome you have provided to me and to our committee.

Senator BURNS. If you have a statement that you want to leave with the committee, you may do that today. If you have prepared a statement, we're prepared to take them and they will be made a part of the record.

Senator CRAPO. That's right. And if you are not prepared today, we will leave the record open for several weeks, so you can get hold of Senator Burns' office and get your testimony to us through him if you aren't able to do it today, and we welcome you to do that.

Once again, thank you for your tremendous Montana hospitality, for the interest that you have shown here today in this legislation, and I can tell you, as I did at the beginning of the hearing, you've made a convert out of me and I will go back and advocate this project very strongly with the chairman.

Thank you very much. This committee is hereby adjourned.

[Applause.]

[Whereupon, at 12:05 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. SAM KITZENBERG, STATE REPRESENTATIVE FROM GLASGOW, MT

Mr. Chairman, members of the committee: For the record, my name is State Representative Sam Kitzenberg from HD-96, which includes parts of Valleys County and all of Daniels Counter. I have served three terms in the Montana Legislature. During the last session—the 56th—I introduced HB 20 (the Fish Hatchery Bill) on the first day of the session. It passed the last day of the session.

Fort Peck Lake is the largest body of water in Montana—and one of the last developed! It is 134 miles long and has an area of approximately 249,00 acres, which is more than the Pacific Coast of California. The potential for fisheries here is almost unlimited.

Fort Peck is the 4th largest tourist stop in the State of Montana. Tourism is Montana's second largest industry. In 1996, visitors spent an estimated \$1.26 billion. More than 60,000 jobs are directly related to travel and they account for \$763 million in payroll.

On a regional level, we hosted the In-Fisherman Professional Walleye tournament at Fort Peck Lake in 1997 and 1993. What did that mean to Montana's economy? The total economic benefit was \$1.4 million. In 1995, 7 tournaments were held on Montana waters. These tournament participants spent \$1.9 million in one summer.

A study released by the American Sportfishing Association stated that the total economic impact of angler expenditures in Montana was \$450 million in 1996.

Salmon Fishing—which extends the fishing season into the fall—brought \$2,362,500 into our community in 1996 (peak year).

Studies have shown that money is spent 7 times before leaving a community. This would equal \$16,537,500 alone from salmon fishing in the Glasgow area.

Here are some legislative reflections:

"MIRACLES COME AFTER A LOT OF HARD WORK."—reads a Key Club banner at Glasgow High School.

Yet, passing HB 20 through the 56th Legislative session of the Montana Legislature was a miracle. (Praise the Lord!)

And, it took a lot of hard work by many individuals.

I still remember the day that Chuck Lawson told me at Sagebrush Cellular that he had a great idea for a bill, and I asked him if he was serious about it. I remember flying to Billings with him and Roy Snyder to talk to the Walleyes Club about their support. Before take-off, he said, "If you are shy about flying, you can sit in the front seat so you don't throw up on us."

"Chuck, I'm not fearful of flying. I just don't want to hit a deer on the runway on take-off."

"Sit down and shut up or I'm going to put a bag over your head," Chuck said.

And, off we flew . . . to many Walleyes Meetings in Eastern Montana. Most of the time, we drove . . . getting home late . . . or early in the morning.

Myron Gartner was along, too, tirelessly contracting and erecting over 80 signs—sometimes at a cost of \$140 each—throughout Eastern Montana.

Fort Peck Lake Manager, Roy Snyder, our facilitator, came along too—offering sound advice, hope—and free land for the rearing ponds.

Then, the Legislative battle began . . . with 50,000 copies of literature, phone calls, letters, etc. In fact, one of the top five issues that legislators received more mail and call about was the fish hatchery.

I remember thinking going into the first committee hearing of the House Fish Wildlife & Parks Committee hearing in the House that we were (maybe) . . . two votes shy of passage. (It could have ended that day!) But, the bill swayed in the wind like a giant Ponderosa Pine deciding which way to fall after being cut . . . and passed out of committee!

I remember the day I carried the bill on the floor of the House. I wore "my lucky fish hat." After 2-hours of debate, my soaked dress shirt . . . the bill sailed on . . .

"Will you need the large Senate hearing room?" the chairman of the Senate Fish and Game Committee asked me. "I hear there are a lot of people coming," he added. It was a "packed house" in room 345 (the old Supreme Court room) when the bus from Glasgow showed up after an exasperating bus trip—a 23-hour trip, with 19 spent on the Scotty Cruiser.)

Finally . . . the bill took flight Senate and flew through the Opposition began to dissipate—especially after one fellow from the Mile High Fishing Club in Butte got up and said: "You Canadians out there in Eastern Montana . . ." (He got a round of laughter and a red face!)

The same cooperative spirit that built Fort Peck Dam in the 1930's came alive again in Eastern Montana to pass HB 20 through the Montana Legislature.

Lewis and Clark (Chuck and Myron) braved uncharted territory through Montana again to find "a better world"—a path through the Wilderness of Economic Depression.

Congress may choose to do nothing . . . to take lightly our efforts . . . to never allow the Fish Hatchery "to hatch."

But . . . a better path would be to follow in our footsteps toward a better tomorrow.

GLASGOW MT PROCLAMATION

FORT PECK HATCHERY DAY—APRIL 29, 2000

WHEREAS, Saturday, April 29, 2000, from 10:00–11:30 a.m., has been proclaimed as FORT PECK HATCHERY DAY.

WHEREAS, a Senate subcommittee will hold a field hearing in Glasgow at the Cottonwood Inn, chaired by Senator Mike Crapo (R-Idaho), chairman of the Senate Subcommittee on Fisheries, Wildlife and Drinking Water,

WHEREAS, donations from various organizations total nearly \$64,000 with a goal of \$125,000, and the money will be matched with Federal dollars to complete the study required to get the next step for funding the new hatchery,

WHEREAS, Senator Conrad Burns has introduced a bill to the Senate authorizing \$10 million for the construction of the Hatchery and as the Fort Peck hatchery will contribute to increased recreation in eastern Montana and improve the strength of fish population in Montana's rivers and lakes,

NOW, THEREFORE, I, Wilmer F. Zeller, by virtue of the authority vested in me as Mayor of the City of Glasgow, do hereby proclaim SATURDAY, APRIL 29, 2000, as FORT PECK FISH HATCHERY DAY throughout the City of Glasgow,

IN WITNESS THEREOF, I do hereby set my hand and cause the Corporate Seal of the City of Glasgow to be affixed this 26th day of April 2000.

MAYOR WILMER F. ZELLER.

[From the Good Evening Glasgow, Monday, January 11, 1999]

EASTERN MONTANA AGREES: IT'S A NO-BRAINER

While efforts to gain support for the proposed warm-water multi-species fish hatchery at Fort Peck have been going on for several months, HB 20 and HB 26, introduced by Representative Sam Kitzenberg are now on the grinding stone in Helena.

It is now up to the House Fish, Wildlife and Parks Committee to pass it into Congress, which could happen possibly tomorrow.

Proponents that spoke of the fish hatchery were mostly from eastern Montana, but there was western support there as well. Opponents were few, but it was rather obvious to those present Thursday that Pat Graham, Director of Montana Fish, Wildlife and Parks was not in support of the fish hatchery, although he was to speak as a "noproponent" (not taking sides). Other opponents included Trout Unlimited.

Those opposing the fish hatchery's main concern was money: where would it come from?

Bruce Farling, Director of Trout Unlimited, spoke against the hatchery.

 THE NEED FOR A WARM-WATER FISH HATCHERY

The clay bottom and the rise and fall of water levels at Fort Peck Reservoir are the worst climate for the natural spawn of warm-water species of fish.

The Miles City Hatchery, although state-of-the-art, is not capable of rearing enough fish to supply all of the reservoirs and rivers in the state that are stocked with warm-water fish. In addition, the Miles City Hatchery is the only hatchery in the state that raises the warm-water species, learning no backup fish rearing were to happen at that location.

Sauger, a native warm-water species found in the Missouri and Yellowstone River systems, are down in number and, at present, there is no source of artificial reproduction available. The proposed Fort Peck Multi-Species Fish Hatchery could and most probably would provide this much-needed facility. If sauger are listed as endangered, we will all wish we had done something differently.

Fishing pressure in the state of Montana has risen 60 percent in the last few years, both from out of state and locally. The hatchery system, however, has not been increased and has not fulfilled the needs of state biologists in their stocking work. Montana has the lowest plant of fingerling fish of the Missouri chain of reservoirs; fingerlings have the best rate of survival among fish hatchery groups. Because the Department of FWP doesn't have the rearing space, it plants 25 to 30 million fry which have a very low survival rate.

Along with the 60 percent increase in fishing pressure to the state comes economic growth. The tourist industry in the state is very good when fishermen are catching fish. The funding that we get from this source helps to pay for better facili-

ties through the Fish and Game Department. It also brings another source of revenue for the State of Montana.

In the past, most of the funding for fish hatcheries has gone to the cold water or "Trout" end of things. At the present time, these hatcheries are getting funding for seven locations. This is all and well except that one-half of the water in the state is warm-water oriented!

The population of Chinook Salmon has been anything but stable in the last few years. It is the hope of Montana sportsmen and women that this hatchery would provide a positive alternative to what we have seen in the past. If egg-taking can be accomplished, we can raise these fish here rather than going to other states for them, thus lowering the risk of disease to Montana waters.

We need to find another egg source for walleye eggs as all of the states' eggs are taken from the Nelson Creek spawning station. If this source became contaminated or the weather interrupted the spawning cycle, we could lose a whole year's class of fish.

We need to establish a viable bait-fish population. At the present time, there are no bait-fish being raised at Miles City and there isn't any room to raise them. Many of our warm-water lakes need to establish a bait-fish population. The new hatchery will help that need.

We have a catch-rate on Fort Peck Lake of .26 fish per hour. That is the lowest catch-rate of any of the mainstream reservoirs. This equates to two fish in an 8-hour angling day.

We need to have more vision that the Warm-Water Management Plan has given us. We need to sell the \$5.00 Warm-Water Stamp so we can: 1. Fund the new hatchery at Fort Peck, 2. Pay the operations maintenance and FTE's of this hatchery, and 3. Help to set up a Future Warm-Water Fishing Fund, if any moneys are left over.

To sum up why we need a warm-water hatchery at Fort Peck, it is for the future. If we do not take care of our fishing now, it could very well be that future generations will have nothing but pictures and a bunch of dusty stuffed fish to show them what used to be!

STATEMENT OF HON. ELEANOR PRATT, CHAIRMAN, VALLEY COUNTY BOARD OF COMMISSIONERS

For the record, my name is Eleanor Pratt, Chairman of the Valley County Board of Commissioners. I extend a cordial welcome to you, Senator Crapo, and the committee and a thank you to Senator Burns for sponsoring this meeting.

Mr. Chairman, I feel the most important message that I can convey to you is that our entire community is in favor of the Fort Peck Fish Hatchery. Since it was first proposed in 1997, people from throughout the community and many from across the state, from all walks of life, have jumped on the bandwagon to promote this new fish hatchery. They have contributed money, written letters of support and traveled to meetings, all of which adds up to countless hours of time and all at their own expense.

The economic base for this area is farming, ranching and tourism. The fish produced should be compared to a commodity like that of grain and cattle. Therefore, having a fish hatchery at the Fort Peck Reservoir makes "good" economic sense because it would be an environmentally sound resource for this county, as well as the State of Montana. This part of Montana is known as Missouri River Country, and the tour guide brochures promote fishing at the Fort Peck Lake.

The Fort Peck Reservoir is the Riviera of Northeast Montana—a diamond in the rough—the potential of which, some 66 years after its construction, has still not been realized. Those who appropriated the funds to build the reservoir had no vision of how time would change the lifestyles of Americans. Travel in the 1930's was limited to the wealthy. Today, travel is for the majority of Americans—young and old. Fishing is "big business" and fisherman dollars are "good for the economics" of Valley County and all other counties bordering the Reservoir.

The need for economic help, better described as survival, for Valley County and the other rural counties with access to the Reservoir is stated by listing their annual per capita income*:

Valley County	\$18,999
Fergus	17,921

McCone	15,729
Phillips	15,171
Garfield	13,777

To further emphasize the severe economic concerns of Montanans, Governor Racicot has called for a Special Legislative Session to begin on May 8th to specifically address economic development.

Good, productive land was taken for the Reservoir, and the taxes that had been paid to the county were lost forever.

In summary, Mr. Chairman, we need your help, and that of your committee, to make the Fort Peck Fish Hatchery a reality. The support for the project is overwhelming—it is a cooperative effort—local, state and Federal. The fish hatchery is important for the counties with access to the Reservoir and for the entire State of Montana.

Thank you for allowing me time today to testify before your Subcommittee in SUPPORT for the Fort Peck Fish Hatchery Authorization Act of 2000.

STATEMENT OF COLONEL MARK E. TILLOTSON, DISTRICT ENGINEER, OMAHA DISTRICT,
U.S. ARMY CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY

Introduction

Mr. Chairman and members of the Subcommittee, I am Colonel Mark E. Tillotson, District Engineer, Omaha District, U.S. Army Corps of Engineers. With me today are Debra Brey, the Planning Assistance to States Program Manager for the Omaha District and two other Corps district individuals who were instrumental in completing this study—Ted Streckfuss and Randy Sellers. Thank you for this opportunity to present a statement on the findings of our study of a proposed fish hatchery at Fort Peck, which we conducted for the State of Montana under our Planning Assistance to States (PAS) Program, authorized by Section 22 of the Water Resources Development Act of 1974, as amended. I understand that the Administration is developing a position on S. 2027, the Fort Peck Fish Hatchery Authorization Act of 2000, which would authorize Federal construction and cost-sharing of the hatchery.

Fort Peck Hatchery Section 22 Study

From December 1999 through March 2000, at the request of the State of Montana Department of Fish, Wildlife, and Parks and local interests, the U.S. Army Corps of Engineers conducted a reconnaissance-level study of and prepared a conceptual design plan for a proposed multi-species fish hatchery at Fort Peck, Montana under the Section 22 authority. For the study, the hatchery was sited on a 94-acre parcel of land downstream from Fort Peck Dam. In general, the study discussed (1) the need for and impacts of having a second warm-water fish hatchery in Montana; (2) the types and production numbers of fish proposed for propagation at the facility; (3) opportunities for raising endangered species, such as the pallid sturgeon; (4) a preliminary design and cost estimate for construction and operation and maintenance of a fish hatchery; (5) the availability of Corps land for the project; and (6) the availability of high-quality water and affordable power to operate the facility.

Through a collaborative effort, the Corps of Engineers and the Department of Fish, Wildlife, and Parks determined that a facility consisting of 54 rearing ponds (having a total of 49 surface acres of water and a hatchery building approximately 22,000 square feet in size could be accommodated on the proposed site. This facility would provide a reliable and cost-effective means of producing the desired fish species to meet the needs of the State of Montana including walleye, sauger, tiger muskie, northern pike, chinook salmon, largemouth bass, smallmouth bass, and catfish. The hatchery would also support the propagation of the endangered pallid sturgeon.

The study was completed on schedule. A summary report of the basic study findings was provided to the study sponsor in mid-March 2000, and the main report was provided at the end of March 2000. Total study costs were \$250,000, with the State and the Corps each providing \$125,000.

Conclusion

Mr. Chairman, this concludes my statement. We would be happy to answer any questions you may have. Thank you again for the opportunity to participate in this

Senate Subcommittee hearing. We have enjoyed working with the State of Montana on this study.

FORT PECK FISH HATCHERY PROPOSAL
PREPARED BY THE U.S. ARMY CORPS OF ENGINEERS

CHAPTER 1: GENERAL PROJECT INFORMATION

1.1 Introduction

Within northeastern Montana, the Missouri River and Fort Peck Lake provide a high-quality water source suitable for the development of a fish hatchery. Increased fishing pressure on Fort Peck Lake and throughout the State has led to the need for a multi-species fish hatchery capable of meeting the State's existing and future fish production goals. The limited number of cool- and warm-water hatcheries in the State makes the construction of this hatchery especially critical. Hatchery fish will be used to stock Fort Peck Lake and other Montana fisheries, as necessary, to help the State of Montana remain self-sufficient in maintaining and managing its fishery resources.

The primary goal of the Fort Peck Fish Hatchery will be to supply large numbers of high-quality fish for the sport fisheries in the State. It could also allow Montana to focus on using the new hatchery's state-of-the-art capabilities for production of the endangered pallid sturgeon as well as other State and Federal species of concern. For existing State and Federal facilities to match these capabilities, potentially time-consuming and expensive upgrades would be necessary. The construction of the Fort Peck Fish Hatchery could fill an existing void in the recovery effort for this fish as well as other species of concern.

At this time, Montana's fish production needs are addressed through the operation of nine hatcheries scattered throughout the State. Of the nine hatcheries in use, eight are devoted to cold-water production (trout and salmonid). The ninth hatchery, located at Miles City, struggles to meet the State's needs for cool- and warm-water fish production. The existing State hatchery facilities can only maintain the current levels of production and are unable to meet the existing and future demand. An additional hatchery is needed to address the expected fish production shortfalls caused by future increases in fishing demands in Montana. This need leads to the requirement for supplemental fish production facilities that the proposed hatchery at Fort Peck will meet.

This summary report provides some of the major highlights of the much larger main study entitled "Final Report—Preliminary Design Study and Environmental Assessment: Proposed Fish Hatchery at Fort Peck, Montana," which was released at the end of March 20

1.2 Study Authority

This study was initiated under the Corps of Engineers' Planning Assistance to States (Section 22) Program in response to a request from the State of Montana Department of Fish, Wildlife, and Parks. The State requested that the Corps of Engineers evaluate the feasibility of developing a fish hatchery at Fort Peck and, if feasible, prepare a reconnaissance-level design of such a facility. Authority for conducting this study is contained in Section 22 of the Water Resources Development Act of 1974, as amended. The study was cost-shared, with the Montana Department of Fish, Wildlife, and Parks providing 50 percent of the study cost.

1.3 Fish Production Needs

The new fish hatchery described in this report is intended to bridge the required production deficit. This hatchery will provide a reliable and cost-effective means of producing the desired high-quality fish species necessary to stock Montana's fisheries, including Fort Peck Lake. This hatchery will be used to culture cold-, cool-, and warmwater fish species, with the potential to address needs relative to endangered species such as the pallid sturgeon and other species of concern. Fish production at the new Fort Peck Fish Hatchery will emphasize the propagation and rearing of walleye (*Stizostedion vitreum*), sauger (*Stizostedion canadense*), tiger muskie (*Esox masquinongy x Esox lucious*), northern pike (*Esox lucious*), chinook salmon (*Oncorhynchus tshawytscha*), largemouth bass (*Micropterus salmoides*), smallmouth bass (*Micropterus dolomieu*), pallid sturgeon (*Scaphirhynchus albus*), and, possibly, channel catfish (*Ictalurus punctatus*), should the need arise. Species of special concern could include the blue sucker, short-nose gar, and the sicklefin chub. These fish species will be spawned and reared to various sizes, including fry, fingerlings, and catchables, according to the needs of the State fisheries program.

A location map showing Fort Peck Lake is depicted on Plate 1 at the back of this summary report. The actual location of the Fort Peck Fish Hatchery will be adjacent to the Missouri River, downstream from Fort Peck Dam, on a 94-acre parcel owned by the Corps. The hatchery location is illustrated on Plate 2.

1.4 Hatchery Facilities

Rearing facilities at the hatchery will include 49 surface acres of various sized ponds for extensive and semi-intensive culturing. The proposed pond configuration is based on two 2-acre ponds, 38 1-acre ponds, and 14 0.5-acre ponds, for a total of 54 rearing ponds. The ponds will be lined with high-density polyethylene to facilitate and enhance the pond performance. The ponds will be equipped with external catch basins (kettles) for efficient fish harvesting. The rearing facilities are currently configured for no more than six ponds per kettle. A two-cell, 3.9-acre effluent pond will be constructed to collect all water used at the hatchery prior to discharge back into the Missouri River. This effluent pond will allow for the settling and removal of suspended solids. Intensive fish rearing will be accomplished through the use of eight raceways plumbed to receive either well or surface water supplies. The raceway dimensions will be 60 feet long by 6 feet wide, with a water depth of 3 feet.

The hatchery building will have nearly 22,000 square feet of floor space, of which over 17,500 square feet will be designated as the fish production area. The production area will include a pathology laboratory for fish examination and measurements, a feed laboratory for limited feed formulation and storage, and incubation and rearing areas. Crew quarters, of rices, and limited tourist facilities will occupy the remainder of the floor area.

CHAPTER 2: FISH PRODUCTION AND PROCESSES

2.1 Introduction

Fish production requirements for the Fort Peck Fish Hatchery were determined based on extensive input provided by the State of Montana Department of Fish, Wildlife, and Parks. Montana fish production needs were discussed with regard to the site and water supply considerations as well as to the economic constraints.

Table 2.1 lists the species, quantities, and sizes of fish to be produced at the hatchery. This information provides the basis for the facility predesign. As a result of the need for flexibility, the initial production program was designed to utilize both intensive and extensive culture practices, taking advantage of both the site area and the available water supply.

Table 2.1
Recommended Plan—Production Goals

Species	Quantity	Size and Description	Harvest Date
Walleye	50,000,000 Fry		4/25
Walleye	2,500,000 2" + fingerlings		6/30
Sauger	2,500,000 Fry		5/25
Pallid sturgeon	Unknown Unknown		TBD
Tiger Muskie	5,000 6" + fingerlings		8/25
Tiger Muskie	50,000 2" + fingerlings		7/15
Northern pike	150,000 Fry		4/30
Chinook salmon	500,000 3" + fingerlings		4/15
Largemouth bass	70,000 2" + fingerlings		9/15
Largemouth bass	10,000 6" + fingerlings		10/30
Smallmouth bass	25,000 5" + fingerlings		10/30
Channel Catfish*	40,000 8" + fingerlings		10/30

* Considered for inclusion on available basis and State programmatic needs.

CHAPTER 3: SITE PLANNING AND EXISTING CONDITIONS

3.1 Water Supply

Operation of the fish hatchery will entail the use of large volumes of water; however, actual water consumption will be low since the hatchery is designed to operate in a flow-through mode. During several months of operation, a net surplus of water will be discharged to the river because of the use of groundwater in hatchery operations. The only water consumed as a result of hatchery operation can be attributed to evaporation from the rearing ponds. The primary water source for hatchery oper-

ations will be derived from the surface water adjacent to the project site. An alternate water supply from groundwater extraction wells will also be incorporated into the facility design. The process water for the Fort Peck Fish Hatchery will be supplied through four 1,500-gallon-per-minute (gpm) capacity wells located on the northern edge of the project site and also through a 5,000 gpm pumping system located in the dredge cut area.

3.2 Surface Water Quality

Data from water samples collected downstream from the powerhouse at Fort Peck Dam are representative of the water quality to be used in the hatchery. The results of analytical testing indicate that the surface water source has no deleterious materials that would adversely impact the operation of the fish hatchery and that the source, overall, is of superior quality.

3.3 Groundwater Quality

Following completion of a well-capacity test, water samples must be taken and analyzed to determine the quality of the groundwater adjacent to the proposed hatchery area. It is hoped that the groundwater within the saturated alluvium will be available in sufficient quantity and be of adequate quality to serve as an additional source to support hatchery operations.

CHAPTER 4: CONCEPTUAL DESIGN

4.1 Introduction

Plates 2 and 3 provide a conceptual site layout of the proposed hatchery development. The hatchery buildings, raceways, and outbuildings are located along the easternmost portion of the site, adjacent to State Highway 117. The ponds occupy the gently sloping land to the west of the hatchery structure. The site is bounded to the south by a gravel road and to the north by the Missouri River dredge cut area. Private property is located to the west and north of the site. Access to the site will be via State Highway 117 and the gravel road, both of which lie juxtapositional to the site boundary.

4.2 Ponds

4.2.1 Orientation and Layout

The Fort Peck Fish Hatchery will include 49 acres of ponds, the majority of which will be 1 surface acre in size. Three standard sizes of ponds will be included at the facility: two 2-acre cells, 38 1-acre cells, and 14 0.5-acre cells. Plate 2 shows the proposed configuration of the 54 rearing ponds.

4.2.2 Kettle Type and Location

All ponds will be outfitted with external catch basins (kettles) for fish harvesting. It is anticipated that one kettle will service no more than six ponds. This configuration will require a total of 10 kettles to adequately drain the ponds for fish harvesting activities. The chimney-type drainage structure on the ponds will consist of a concrete structure and slide gate located in the lowest portion of the pond floor. A ramp will provide access to the pond outlet control structure for controlling pond operations during harvest.

4.3 Raceways

Eight paired concrete raceways will be provided for use in the intensive culturing of salmonids species, although walleye, tiger muskie, northern pike, and channel catfish have been successfully reared within this environment. Raceways will also be used, as needed, for the overwintering of largemouth and smallmouth bass brood stock. The projected dimensions for the raceways are 60 feet long by 6 feet wide, with a maximum water depth of 3 feet.

4.4 Hatchery Building

The hatchery building is shown on Plates 4 and 5. The hatchery will be constructed using a cast-in-place concrete slab with masonry (CMU and brick) walls and a truss-supported roof. The building floor plan is shown on Plate 4. The total building area is projected to be 21,949 square feet and will consist of several different operating areas. Both the administrative and wet laboratory areas will be heated. The hatchery building will conform with the American Disabilities Act (ADA) and National Fire Protection Agency (NFPA) Life Safety requirements.

Public viewing indoors will be possible at a window separating the wet laboratory from the lobby and visitors' area, while outdoor activities can be observed through a window overlooking the pond and raceway complex. The hatchery area will in-

clude four offices, sleeping areas, a general crew conference area, a break room with kitchen/dining facilities, and public restrooms.

Table 4.1
Area Layout for Hatchery Building
Fort Peck Fish Hatchery

Area	Net Square Footage
WET LABORATORY AREA:	
Garage and Storage area	Mechanical Room 17,584
Chemical and Equipment Room	Pathology Room.
Feed Laboratory Room	Isolation Room.
ADMINISTRATION AND VISITOR AREA:	
Mud Room	Conference Room 1,855
Waiting and Observation Room	Office Nos. 1, 2, 3.
Public restrooms	Storage area.
CREW AREA:	
Office/Female Sleeping Room	Toilet 2,026
3 Crew Sleeping Rooms	Break Room.
Crew Shower Room	Kitchen.
Janitor Closet.	
MECHANICAL AND ELECTRICAL ROOMS	484

CHAPTER 5: FACILITY COSTS

5.1 Project Cost Summary

A summary of major construction category costs and an estimate of total project costs are shown in Table 5.1. A supplemental paragraph was added to this chapter to document the costs associated with the construction of similarly sized hatchery complexes located within the Midwest. Although the examples noted in the discussion are not exact duplicates of the proposed Fort Peck Fish Hatchery, they are similar in nature and serve to provide a “proof-of-concept” for the cost figures that were developed in this report.

Table 5.1
Construction Cost Summary
Fort Peck Fish Hatchery

Item Description	Cost
Fish Hatchery Building	\$3,691,888
Hatchery Building Equipment	1,444,300
Hatchery Building Drive and Apron	175,334
Rearing Ponds	7,304,348
Raceways and Canopy	683,235
Site Work and Roads	209,791
Water Supply (Wells, Lake Intake, and Piping)	1,364,883
Site Electrical	358,169
Support Facilities	405,000
Miscellaneous	604,570
Total Year 2000 Construction	\$16,241,448
Planning, Engineering and Design	1,507,567
Construction Management	1,005,046
Total 2000 Project Cost	\$18,754,061

5.2 Annual Operation and Maintenance Costs

The annual operation and maintenance costs are based on those expenses attributable to electrical consumption, natural gas usage, feed, laboratory supplies, facility labor, and ancillary support equipment. Table 5.2 contains a brief summary of estimated annual operating expenses for the Fort Peck Fish Hatchery. Feed costs

are dependent on the specific production program followed. The cost of feed was based on a per-pound cost of \$0.38 for salmonid feed and \$100 per ton for pelletized alfalfa. Labor costs include wages and the standard breakdown for benefits and taxes. Four full-time positions were assumed for operation of the hatchery.

Table 5.2
Annual Operation and Maintenance Costs
Fort Peck Fish Hatchery

Category	Cost
Personnel Salaries	\$125,000
Hourly Wages	35,000
Consulting Services	5,000
Lab Equipment, Supplies, and Administrative Materials	15,000
Egg, Fry, and Fingerling Procurement	15,000
Hatchery Equipment / Motor Vehicles	10,000
Travel / Per Diem	2,500
Building and Grounds Maintenance	20,000
Natural Gas	70,250
Electrical Service	31,250
Total	\$328,950

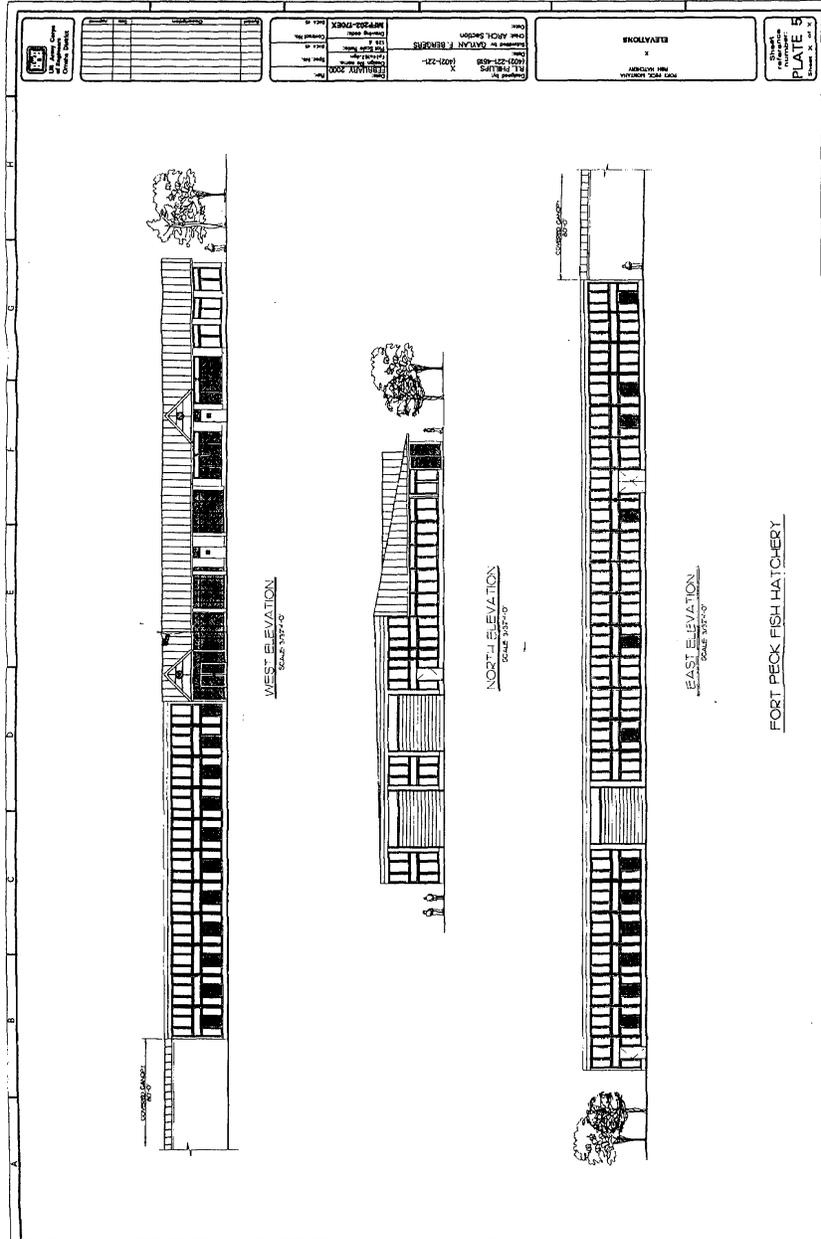
5.3 Comparable Hatchery Cost Information

This section was provided to document the costs associated with the construction of comparably sized hatchery complexes located within the Midwest. The two examples cited within this section are located in North Dakota and Missouri.

The Garrison National Fish Hatchery is located in North Dakota adjacent to Lake Sakakawea. Rob Holm (701-654-7451) provided information relative to the construction history and costs associated with facility renovations over the years. Mr. Holm indicated that the facility was constructed in 1962-1963, with a significant upgrade added in 1984-1985. The facility is capable of producing cold-, cool-, and warm-water fish species and also has raceways in addition to rearing ponds for facility flexibility. Approximately 64 ponds and 12 60-foot by 6-foot raceways and an unknown number of 80-foot by 8-foot raceways are present at the site. The facility was appraised to determine its total replacement value, and the cost of facility replacement was found to be \$22 million. This value exceeds the total project cost estimated for the Fort Peck Fish Hatchery by \$2.2 million, although it should be noted that the hatchery facilities are not identical in nature.

The Lost Valley Fish Hatchery located in Warsaw, Missouri, adjacent to Truman Lake provides the most recent example of a newly constructed hatchery similar to the hatchery proposed for the Fort Peck site. Steve Eder of the Missouri Department of Conservation indicated that construction of this hatchery was completed in March 2000 and consists of a 29,000-square-foot hatchery complex, an administration area, and a visitors center, along with 68 acres of lined ponds (78 total) and 7 water supply wells. The construction cost for this facility exceeded \$18.9 million. Applying the standard 9 percent value for Engineering and Design, in conjunction with 6 percent for Construction Oversight and Administration during the construction phase, leads to a total facility cost of \$21.8 million. This facility, while larger than the proposed Fort Peck facility, is similar in complexity and overall production capabilities. The project costs are supportive of the cost projections developed in this study.

The preceding paragraphs were provided to support the estimated project costs developed for this document. It is felt that the engineering, design, and construction costs of the project outlined in this predesign document fall within the range expected for a facility of this magnitude. Until predesign and design activities are undertaken, which will allow for further fine-tuning of these project costs, the \$19.8 million cost proposed for the Fort Peck Fish Hatchery is felt to accurately reflect the costs associated with the construction of a state-of-the-art fish hatchery. Construction of this fish hatchery will provide a complex capable of meeting the fishery needs of the State of Montana well into the future.



STATEMENT OF PATRICK J. GRAHAM, DIRECTOR OF MONTANA FISH, WILDLIFE AND PARKS

Mr. Chairman, Members of the Committee. My name is Pat Graham, Director of the Montana Department of Fish, Wildlife & Parks, the agency in the great state of Montana which has responsibility for the management of our fish and wildlife re-

sources and many recreational opportunities. I am here today to testify in support of the multi-species fish hatchery proposed to be built below Fort Peck Dam in Senate Bill 2027. In 2001 Montana Fish, Wildlife & Parks will observe our 100th Anniversary. We will celebrate a century of successful conservation efforts during which we helped restore fish and wildlife populations from the historic lows at the turn of the century to the general abundance we have today.

The challenges for the next century may prove to be just as daunting. The demand for opportunities to fish, hunt and otherwise interact with wildlife are growing as are the costs of conserving habitat, providing access and addressing the needs of federally listed species. Our financial resources are stretched to the limit.

The growing demand for warmwater fishing on Fort Peck Reservoir combined with addressing the needs of listed species and species of concern, like pallid sturgeon and sauger, are indicative of the issues we face. Fort Peck Reservoir, the state's largest water body, provides important warmwater fisheries for walleye, sauger, northern pike, and smallmouth bass, as well as for chinook salmon and lake trout. Fort Peck is also home to prehistoric paddlefish. While this species of special concern is abundant in Fort Peck and the Yellowstone River, its very limited distribution in the remainder of its historic range once prompted an ESA listing petition.

The angling use on Fort Peck is increasing steadily. Prior to becoming Director of this agency, I was the Chief of the Fisheries Division. In 1985, I completed the first warmwater fisheries management plan for Montana. Since completion of that plan, the fishing use on Fort Peck Reservoir has tripled (Attachment 1). You can see by the testimony before you today and the interest in this project that angling is an important component of this area's economic base.

Fort Peck Reservoir has never been an easy reservoir to manage for fisheries. Water level fluctuations, particularly during drought years, coupled with the need to provide navigation water downstream, has made managing the reservoir for spawning and rearing very difficult. The primary substrate in Fort Peck, bearpaw shale, is unsuitable for walleye spawning. To provide a sport fishery we must annually stock large numbers of walleye into the reservoir (Attachment 2).

Montana has long carried the financial burden of managing this fishery, stocking a variety of species into Fort Peck Reservoir since 1942 (Attachment 3). In the early years, the state lacked the capability to produce large enough numbers of warmwater species to support or sustain a viable sport fishery. In 1983, the state acquired the Federal Miles City Warmwater Fish Hatchery from the U. S. Fish and Wildlife Service. The facility was falling apart, however, it provided the opportunity to establish one cornerstone of our warmwater fish program. In 1985, the Department began renovation of the Miles City Hatchery and over a period of 14 years we invested more than 6.5 million dollars to renovate that facility and bring it to full capacity (Attachment 4). Today, 75 percent of the production of the Miles City Hatchery goes to stock a single reservoir—Fort Peck Reservoir. While Fort Peck could utilize even more walleye, the rest of the state does not have its needs met. Nor is there the capacity to meet future warmwater fishing needs. Fort Peck will require additional fish to enhance the walleye, sauger, and chinook fisheries.

The sauger, a native cousin to the walleye living primarily in free flowing rivers, has shown significant declines in the Missouri as well as in the Yellowstone river systems. It is a species of special concern, and aggressive management efforts are needed to keep the sauger off of the endangered species list. We are looking at enhancing sauger populations in a variety of ways including increased hatchery capacity for sauger to supplement natural populations. We currently have no capacity at our Miles City Hatchery to raise sauger.

The pallid sturgeon, a federally endangered species, is found in the Missouri River above and below Fort Peck. They are in a precarious situation resulting from unsuccessful reproduction for the last 55 years. The construction of the Missouri River dams and resulting reservoirs, including Fort Peck, are believed to be directly responsible for the plight of the pallid sturgeon. This hatchery would also give us the capability to raise pallid sturgeon to supplement the existing population and prevent extinction. The Miles City Hatchery is not equipped to propagate pallid sturgeon.

When the Montana Legislature last met in 1999, they were made aware of the need to construct a multi-species hatchery at Fort Peck. HB 20 was passed, authorizing the construction of the Fort Peck Hatchery and established a warmwater fisheries stamp to assist in funding this project (Attachment 5). During the debates recognition of the need for an additional hatchery was tempered with a strong feeling that the hatchery was a Federal responsibility.

Montana concluded it was a Federal responsibility in part due to unfilled promises related to Pick—Sloane legislation. The Fort Peck project was integrated into

Pick-Sloane Federal legislation with other Federal water projects (Clark Canyon, Canyon Ferry, Yellowtail, and Tiber dams) in Montana. Pick-Sloane was to provide Montana with low cost power, irrigation, recreation, and fish and wildlife enhancement, all intended to provide economic development to offset impacts from these Federal water projects. To date there have been few projects developed under the obligations identified in Pick-Sloane. Montana has seen the development of irrigation systems equivalent to only 5.75 percent of that obligation and only 6.5 percent of the power allocated for pump irrigation (Toston, Lower Yellowstone, Savage, and Intake). Agricultural land development (800,000 acres) and the economic benefit for Montana that should have occurred with those irrigation projects identified under Pick-Sloane have never been realized. The little development that occurred (46,000 acres) was centered around Canyon Ferry Reservoir, Clark Canyon Reservoir, and along the lower Yellowstone. Therefore, Federal obligations under Pick-Sloane have never been fulfilled in Northeastern Montana or anywhere else in Montana.

The use of water for and the recreational benefit derived from fish produced in a Fort Peck Hatchery would meet the criteria identified in Pick-Sloane. A hatchery at Fort Peck would result in economic development in eastern Montana based on increased recreational opportunity and enhanced fisheries in Fort Peck Reservoir.

Both the Pick-Sloane and the "Federal Project Recreation Act" provide the rationale for the State of Montana to request Federal funding for the design, construction, operations and maintenance of a multi-species hatchery at Fort Peck (Attachment 6).

Montana also believes that we have contributed fairly to recreational fish and wildlife management and development that have benefited Fort Peck over the past 53 years. Senate Bill 2027 recognizes this contribution by allowing Montana to use as its match for construction of the hatchery costs the state has borne for managing the fishery of Fort Peck Reservoir since 1947. We have only been able to accurately track costs back to 1983. However, since that time Montana has spent over \$11 million dollars in managing the fishery of Fort Peck. These costs include propagation and stocking of walleye, bass, northern pike, and chinook salmon as well as other projects related to fisheries and recreational access to the reservoir (Attachment 7).

The other issue is who pays how much for the ongoing operation of the hatchery. The annual costs for the state to rear and stock fish in Fort Peck include those associated with: collecting eggs from walleye, sauger, chinook and pallid sturgeon and transporting them to the hatchery; operational costs for the hatchery itself including personnel, utilities, fish food, maintenance; and cost to distribute the fish to the reservoir. When the Fort Peck Hatchery is completed both Miles City and Fort Peck will be used to stock Fort Peck Reservoir. We estimate that the annual costs to rear and stock fish in Fort Peck once the Fort Peck Hatchery is completed will be \$750,000. (Attachment 8). This includes the costs for the egg collection, the operational costs of Fort Peck and 75 percent of Miles City, and the cost to stock the fish.

Montana will pay for the collection and transportation of the eggs, all the operational costs associated at the former Federal hatchery at Miles City, and the costs for fish distribution which amounts to \$395,000 annually. In addition, revenues from the warmwater fish stamp are estimated to produce \$100,000 to \$125,000 annually for the Fort Peck Hatchery. The legislature limited by statute Montana's contribution for the Fort Peck Hatchery to the dollars generated from the stamp. Collectively, expenditures by the state equate to two-thirds of the cost to stock and rear fish for Fort Peck. We believe this is a fair contribution, and that the Federal portion or one-third of the cost would go to fund day-to-day maintenance and operational expenses for the Fort Peck Hatchery. In addition, the state is spending over a quarter million dollars per year on work related to the endangered pallid sturgeon, sauger restoration, and other related fish management programs.

In closing I would like to reiterate Montana Fish, Wildlife & Parks support for the Fort Peck Hatchery. We appreciate the hard work by Senator Burns and his staff and others in the delegation. We have made significant financial commitments to develop a reservoir fishery over the last half century. We will continue to bear a significant part of the load, and we applaud Congress and the Corps of Engineers for stepping forward to pick up the Federal obligation. The people of eastern Montana and our many out-of-state guests will surely benefit from this legislation well into the next century.

Attachment 1.

Angling use estimates at Fort Peck Reservoir between 1984 and 1999

Year	Resident Angler Days	Non-Resident Angler Days	Total Angler Days
1984	23,056	170	23,226
1985	35,885	1,526	37,411
1989	33,734	4,058	37,792
1991	39,552	3,793	43,455
1993	35,580	6,419	41,999
1995	56,617	7,429	64,046
1997	92,147	16,415	108,562

Attachment 2

ACTUAL WALLEYE PRODUCTION FOR MILES CIN HATCHERY1983-2000PERCENT OF PRODUCTION TO FORT PECK RESERVOIR

Production Year	Total Production Miles City Hatchery Fish Numbers	Total Production Fort Peck Fish Numbers	Percentage to Fort Peck
1983	2,758,470.00	2,743,470.00	99.46
1984	19,658,268.00	6,048,132.00	81.64
1985	13,324,192.00	11,574,007.00	86.86
1986	12,420,974.00	5,200,000.00	41.86
1987	671,208.00	0.00	0.00
1988	32,864,995.00	26,114,995.00	79.46
1989	41,908,702.00	32,969,116.00	78.67
1990	16,695,174.00	8,437,957.00	50.54
1991	15,477,669.00	10,004,795.00	64.64
1992	27,667,916.00	18,572,539.00	67.13
1993	33,135,282.00	26,479,010.00	79.91
1994	35,138,544.00	28,697,334.00	81.67
1995	29,792,318.00	24,041,344.00	80.70
1996	36,642,822.00	25,115,795.00	68.54
1997	59,686,170.00	53,463,154.00	89.57
1998	36,075,067.00	29,433,538.00	81.59
1999	50,816,783.00	44,599,883.00	87.77
2000	50,000,000.00	42,500,000.00	85.00
TOTAL	514,734,554.00	405,995,069.00	78.87

ATTACHMENT 3

FORT PECK RESERVOIR STOCKING RECORDS MONTANA FWP 1940-1999

Montana Fish Wildlife and Parks
Fish Planting Report

Query:

Start Date: 01/01/1940 End Date: 12/31/1999

Water Codes: 165140

Number of Fish	Weight
431904828	62495.17

Cold Water Summaries:	Fry(0-2")	Fingerling(2-8")	Catchables(8"+)	Total Fish	Weight	Distribution Cos:
BROWN TROUT :	0	23882	0	23882	0	0.00
CHINOOK SALMON :	0	880144	0	880144	11577	4473.31
COHO SALMON :	0	472722	0	472722	9412	0.00
KOKANEE :	354400	3360	0	357760	0	0.00
LAKE TROUT :	408605	222574	0	631179	4149	834.66
RAINBOW TROUT :	843932	286703	0	1130635	13413	0.00

Warm Water Summaries:	Fry(0-1")	Fingerling(1-3")	SubCatchables+(3"+)	Total Fish	Weight	Distribution Co
BLUEGILL :	0	127479	1500	128979	0.00	0.00
BULLHEAD :	0	107686	0	107686	0.00	0.00
CISCO :	1411000	32049986	0	33460986	81.00	0.00
CRAPPIE :	77	157793	0	157870	0.00	0.00
LARGEMOUTH BASS :	0	0	28150	28150	0.00	0.00
NORTHERN PIKE :	10945000	1913727	168565	13027292	2369.40	362.03
SMALLMOUTH BASS :	0	296920	0	296920	860.40	1163.44
SPOTTAIL SHINER :	0	0	186840	186840	2737.00	0.00
WALLEYE :	353295990	19612921	3099266	381008177	17305.89	33303.71
YELLOW PERCH :	0	0	5706	5706	580.00	0.00

Montana Fish Wildlife and Parks
Fish Planting Report

Query:

Start Date: 01/01/1940 End Date: 12/31/1999

Water Codes: 165140

Number of Fish	Weight
431904828	62485.17

FORT PECK LAKE

Annual Summaries:	Year	Fry	Fingerling	Catchables	Total Fish	Weight	Distribut
BLUEGILL							
	1945	0	0	1500	1500	0	0.00
	1947	0	52929	0	52929	0	0.00
	1948	0	74550	0	74550	0	0.00
	Subtotal	0	127479	1500	128979	0	0.00
BROWN TROUT							
	1943	0	8000	0	8000	0	0.00
	1945	0	10000	0	10000	0	0.00
	1946	0	4200	0	4200	0	0.00
	1949	0	1682	0	1682	0	0.00
	Subtotal	0	23882	0	23882	0	0.00
BULLHEAD							
	1946	0	49690	0	49690	0	0.00
	1947	0	3696	0	3696	0	0.00
	1948	0	14400	0	14400	0	0.00
	1952	0	39900	0	39900	0	0.00
	Subtotal	0	107686	0	107686	0	0.00
CHINOOK SALMON							
	1983	0	14140	0	14140	700	0.00
	1984	0	16250	0	16250	500	0.00
	1985	0	15150	0	15150	750	0.00
	1986	0	50428	0	50428	1036	0.00
	1987	0	214864	0	214864	3423	1385.94
	1988	0	132155	0	132155	1694	621.87
	1991	0	61425	0	61425	450	484.65
	1993	0	64315	0	64315	594	451.40
	1994	0	109000	0	109000	1150	821.20
	1995	0	17500	0	17500	122	67.39
	1996	0	40647	0	40647	239	143.70
	1997	0	118200	0	118200	524	401.16
	1999	0	26070	0	26070	395	96.00
	Subtotal	0	880144	0	880144	11577	4473.31
CISCO							

Montana Fish Wildlife and Parks
Fish Planting Report

	1984	1411000	8000000	0	9411000	12	0.00
	1985	0	10050000	0	10050000	55	0.00
	1986	0	13999986	0	13999986	14	0.00
	Subtotal	1411000	32049986	0	33460986	81	0.00
COHO SALMON	:						
	1969	0	48990	0	48990	2130	0.00
	1970	0	178200	0	178200	3900	0.00
	1972	0	174132	0	174132	2542	0.00
	1973	0	71400	0	71400	840	0.00
	Subtotal	0	472722	0	472722	9412	0.00
CRAPPIE	:						
	1946	0	144689	0	144689	0	0.00
	1947	77	13104	0	13181	0	0.00
	Subtotal	77	157793	0	157870	0	0.00
KOKANEE	:						
	1946	55000	0	0	55000	0	0.00
	1947	52400	0	0	52400	0	0.00
	1948	52000	0	0	52000	0	0.00
	1949	56000	0	0	56000	0	0.00
	1950	57000	0	0	57000	0	0.00
	1951	52000	0	0	52000	0	0.00
	1952	30000	3360	0	33360	0	0.00
	Subtotal	354400	3360	0	357760	0	0.00
LAKE TROUT	:						
	1952	0	2240	0	2240	0	0.00
	1953	24000	0	0	24000	15	0.00
	1954	137287	0	0	137287	130	0.00
	1955	0	7000	0	7000	35	0.00
	1956	153318	0	0	153318	61	0.00
	1957	94000	0	0	94000	70	0.00
	1978	0	65200	0	65200	400	0.00
	1991	0	93450	0	93450	525	419.92
	1992	0	54684	0	54684	2913	414.74
	Subtotal	408605	222574	0	631179	4149	834.66
LARGEMOUTH BASS	:						
	1945	0	0	25000	25000	0	0.00
	1948	0	0	3150	3150	0	0.00
	Subtotal	0	0	28150	28150	0	0.00
NORTHERN PIKE	:						
	1951	300000	0	0	300000	0	0.00
	1961	420000	0	0	420000	12	0.00

Montana Fish Wildlife and Parks
Fish Planting Report

1969	0	0	5000	5000	20	0.00
1970	0	0	9271	9271	119	0.00
1971	0	0	110662	110662	373	0.00
1972	0	119126	38073	157199	130	0.00
1973	0	0	3759	3759	32	0.00
1974	0	0	1000	1000	4	0.00
1975	0	53000	0	53000	33	0.00
1976	0	71415	800	72215	121	0.00
1977	0	124532	0	124532	90	0.00
1979	0	114500	0	114500	88	0.00
1980	0	82100	0	82100	112	0.00
1981	0	1200000	0	1200000	5	0.00
1982	0	83500	0	83500	36	0.00
1986	10000000	0	0	10000000	1100	0.00
1988	225000	0	0	225000	6	35.86
1990	0	18000	0	18000	13	35.45
1992	0	15820	0	15820	34	141.72
1993	0	31734	0	31734	41	149.00
Subtotal	10945000	1913727	168565	13027292	2369	362.03
RAINBOW TROUT						
1942	625000	10000	0	635000	0	0.00
1943	210000	0	0	210000	0	0.00
1946	0	4200	0	4200	0	0.00
1949	0	8400	0	8400	0	0.00
1952	0	3200	0	3200	0	0.00
1954	800	0	0	800	200	0.00
1955	2840	0	0	2840	710	0.00
1957	5292	0	0	5292	540	0.00
1964	0	9000	0	9000	24	0.00
1972	0	251903	0	251903	11939	0.00
Subtotal	843932	286703	0	1130635	13413	0.00
SMALLMOUTH BASS :						
1981	0	22500	0	22500	35	0.00
1982	0	67000	0	67000	107	0.00
1983	0	36121	0	36121	125	0.00
1993	0	20000	0	20000	43	102.27
1994	0	20000	0	20000	59	95.45
1995	0	20000	0	20000	71	97.00
1996	0	34700	0	34700	106	306.88
1997	0	10000	0	10000	75	99.52
1998	0	63889	0	63889	224	348.32

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Fish Planting Report

1999	0	2510	0	2610	15	114.00
Subtotal	0	296820	0	296820	860	1163.44
SPOTTAIL SHINER :						
1982	0	0	2700	2700	9	0.00
1983	0	0	184140	184140	2728	0.00
Subtotal	0	0	186840	186840	2737	0.00
WALLEYE :						
1951	878000	0	0	878000	0	0.00
1978	250000	260000	0	510000	185	0.00
1979	0	260247	0	260247	202	0.00
1980	750000	0	0	750000	15	0.00
1981	0	415000	0	415000	169	0.00
1982	0	1540000	0	1540000	70	0.00
1983	2600000	1735870	7600	4343470	235	0.00
1984	12700000	348132	3000000	16048132	572	0.00
1985	11200000	374007	51500	11625507	729	0.00
1986	5200000	15073	0	5215073	84	0.00
1987	11399995	29935	0	11429930	171	670.00
1988	26114995	25000	0	26139995	136	923.18
1989	32400000	585055	22419	33007474	1767	8024.82
1990	7600000	837957	0	8437957	1117	1453.63
1991	9600000	403730	1065	10004795	782	1923.11
1992	17600000	972539	0	18572539	562	2284.30
1993	24328000	2151010	0	26479010	1535	4184.68
1994	26725000	1972334	0	28697334	1804	5436.54
1995	22550000	1490464	880	24041344	1037	755.93
1996	23100000	2015795	0	25115795	1659	1890.01
1997	52200000	1263154	0	53463154	1481	2466.19
1998	28000000	1431538	2000	29433538	1352	1517.27
1999	43100000	1486081	13802	44599883	1641	1754.05
Subtotal	358295990	19612921	3099266	381008177	17306	33303.71
YELLOW PERCH :						
1983	0	0	1706	1706	10	0.00
1984	0	0	4000	4000	570	0.00
Subtotal	0	0	5706	5706	580	0.00
Total	372259004	56155797	3490027	431904828	62485	40137.15

Cold Water Summaries:	Fry(0-2")	Fingerling(2-8")	Catchables(8"+)	Total Fish	Weight	Distribution Cost
BROWN TROUT	0	23882	0	23882	0	0.00
CHINOOK SALMON	0	880144	0	880144	11577	4473.31

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Montana Fish Wildlife and Parks
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COHO SALMON	0	472722	0	472722	9412	0.00
KOKANEE	354400	3360	0	357760	0	0.00
LAKE TROUT	408605	222574	0	631179	4149	834.66
RAINBOW TROUT	843932	286703	0	1130635	13413	0.00
Warm Water Summaries:						
	Fry(0-1")	Fingerling(1-3")	SubCatchables+(3"+)	Total Fish	Weight	Distribution Co
BLUEGILL	0	127479	1500	128979	0.00	0.00
BULLHEAD	0	107686	0	107686	0.00	0.00
CISCO	1411000	3204986	0	33460986	81.00	0.00
CRAPPIE	77	157793	0	157870	0.00	0.00
LARGEMOUTH BASS	0	0	28150	28150	0.00	0.00
NORTHERN PIKE	10945000	1913727	168565	13027292	2369.40	362.03
SMALLMOUTH BASS	0	296820	0	296820	860.40	1163.44
SPOTTAIL SHINER	0	0	186840	186840	2737.00	0.00
WALLEYE	358295990	19612921	3099266	381008177	17305.89	33303.71
YELLOW PERCH	0	0	5706	5706	580.00	0.00

ATTACHMENT 4

9MONTANA FWP COST TO RENOVATE MILES CITY HATCHERY TO MEET GROWING STOCKING NEEDS 1985-1999

Miles City Hatchery Capital Recap		Budget
1999 Legislative Session		
7993104 Statewide Mtce/Hatchery Valves	02409	\$ 38,105.00
7993102 Miles City House Foundation	02409	8,478.30
1997 Legislative Session		
7970932 Miles City Hatchery Repairs	02409	815,000.00
1993 Legislative Session		
7950800 Miles City Hatchery Pond	02409	110,000.00
1991 Legislative Session		
7940901 Emergency Hatchery Mtce/Miles City	02409	16,159.00
93-35-06 Fence Replace/Miles City Hatchery	02409	18,373.00
Fence Replace/Miles City Hatchery	02409	55,120.00
1989 Legislative Session		
89-35-14 Miles City Emergency Repair	05013	62,500.00
1985 Legislative Session		
85-35-17 Miles City Hatchery	02409	81,750.00
Miles City Hatchery	03097	245,250.00
Miles City Hatchery Expansion	05013	4,948,421.00
Total		\$ 6,586,156.30

ATTACHMENT 5

HB 20 1999 MONTANA STATE LEGISLATURE

AUTHORIZATION FOR MULTI-SPECIES HATCHERY AND ESTABLISHMENT OF A WARM WATER GAME FISH STAMP

1999 MONTANA LEGISLATURE

HOUSE BILL NO. 20

Introduced by S. Kitzenberg, A. Bishop, J. Bohlinger, D. Fuchs, K. Gillan, L. Grosfield, T. Hagener, J. Harp, D. Hedges, J. Hertel, R. Holden, T. Keating, R. Lenhart, M. Lindeen, J. Lynch, G. Matthews, M. McCann, W. McNutt, A. Mohl, L. Nelson, R. Peck, B. Rehbein, F. Smith, M. Sprague, J. Tester, D. Toews

AN ACT ESTABLISHING A MULTISPECIES FISH HATCHERY NEAR FORT PECK DAM; CREATING THE WARM WATER GAME FISH SURCHARGE AND WARM WATER GAME FISH STAMP THAT WILL ALLOW A LICENSEE TO FISH IN DESIGNATED WATERS FOR WARM WATER GAME FISH; DEDICATING SURCHARGE REVENUE; CREATING ACCOUNTS AND PROVIDING FOR ADMINISTRATION OF THE ACCOUNTS BY THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; PROHIBITING THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS FROM USING FOR THE HATCHERY MORE MONEY THAN IS IN THE ACCOUNTS ESTABLISHED FOR THE HATCHERY; AND PROVIDING A CONTINGENT VOIDNESS PROVISION

Be it enacted by the Legislature of the State of Montana:

Section 1. Fort Peck multispecies fish hatchery established. (1) There is a multispecies fish hatchery near Fort Peck dam. The purpose of the hatchery is to provide healthy warm water game fish to improve the warm water fishing opportunities in Montana with minimal impact on cold water fish populations. Administration of the hatchery must be by the department, consistent with the department's authority provided for in 87-3-201.

(2) The multispecies hatchery is intended to use 96 acres of rearing ponds to produce warm water species. The hatchery is to employ land available through long-term lease from the U.S. army corps of engineers. It is intended that the hatchery use free, high-quality water from the dredge cut adjacent to Fort Peck dam. Electric power for the hatchery may be purchased from Fort Peck dam at the lowest available rate.

(3) Warm water species to be propagated at the hatchery may include largemouth bass (*Micropterus salmoides*), smallmouth bass (*Micropterus dolomieu*), walleye (*Stizostedion vitreum*), sauger (*Stizostedion canadense*), black crappie (*Pomoxis nigromaculatus*), white crappie (*Pomoxis annularis*), channel catfish (*Ictalurus*

punctatus), yellow perch (*Perca flavescens*), northern pike (*Esox lucius*), tiger muskellunge, and bait fish, including cisco (*Coregonus artedii*). The hatchery may also include raceways for salmon.

(4) Costs for hatchery construction, operation, maintenance, and personnel are to be funded with revenue in the warm water game fish accounts established in [section 2]. It is intended that the hatchery be constructed in stages as revenue becomes available in the warm water game fish accounts established in [section 2].

Section 2. Warm water game fish surcharge and stamp—warm water game fish defined -accounts established—dedication of revenue to Fort Peck multispecies fish hatchery. (1) A person who is required to be licensed in order to fish in Montana and who desires to fish for warm water game fish in waters listed pursuant to subsection (9) shall, upon purchase of a Class A, Class B, Class B-4, or Class A-8 fishing license, pay a warm water game fish surcharge of \$5. The surcharge is in addition to the license fee established for each class of license and entitles the holder to fish for warm water game fish as authorized by the department. Payment of the surcharge must be indicated by placement of a warm water game fish stamp on the fishing license.

(2) A warm water game fish stamp is valid for the license year in which it is purchased.

(3) Revenue from the warm water game fish surcharge must be placed in the account created in subsection (5) and may be used only for the purposes set out in subsection (7).

(4) As used in this section, “warm water game fish” includes but is not limited to all species of the genera *Stizostedion*, *Esox*, *Micropterus*, and *Lota* and includes largemouth bass (*Micropterus salmoides*), smallmouth bass (*Micropterus dolomieu*), walleye (*Stizostedion vitreum*), sauger (*Stizostedion canadense*), black crappie (*Pomoxis nigromaculatus*), white crappie (*Pomoxis annularis*), channel catfish (*Ictalurus punctatus*), yellow perch (*Perca flavescens*), northern pike (*Esox lucius*), and tiger muskellunge.

(5) There is an account into which must be deposited:

(a) all proceeds from the warm water game fish surcharge established in subsection (1); and

(b) money received by the department in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the Fort Peck multispecies fish hatchery.

(6) The department shall administer the account within the state special revenue fund established in 17-2-102.

(7) Subject to the provisions of subsection (8), revenue collected under subsection (5) must be used by the department for the construction, operation, maintenance, and personnel costs of the Fort Peck multispecies fish hatchery established in [section 1], which may include a cost-share agreement with the Federal Government for construction of the Fort Peck multispecies fish hatchery, and beginning October 1, 2005, for the costs incurred in eradicating illegally introduced warm water species from Montana waters. No more than 15 percent of available revenue may be dedicated to eradication efforts.

(8) The department may not use any non-Federal funds for the hatchery authorized in [section 1] other than those in the account provided for in subsection (5). There is an account in the Federal special revenue fund into which must be deposited all Federal money received for purposes of the Fort Peck multispecies fish hatchery and from which the department may use funds for the hatchery authorized in [section 1].

(9) The department shall prepare a list of all waters into which fish from the Fort Peck multispecies fish hatchery will be planted. The waters designated in the list are the only waters for which a warm water game fish stamp is required.

Section 3. Contingent voidness. If Federal funds are not committed for the purposes of [this act] by June 30, 2001, then [this act] is void.

Section 4. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 87, chapter 3, part 2, apply to [sections 1 and 2].

ATTACHMENT 7

MONTANA'S COST TO MANAGE AND STOCK FORT PECK RESERVOIR 1983 TO PRESENT

YEAR	MCH ANNUAL BUDGET	MCH PERCENT TO FT. PECK	ANNUAL FWP COST FOR STOCKING FT. PECK RES.	FWP COST FOR CONSTRUCTION AT MCH	CONSTR. COST RELATED TO FORT PECK	FWP COST FOR MANAGEMENT OF FT. PECK RES	STATE AND COUNTY COSTS FOR ACCESS TO FORT PECK
1983	\$41,807.00	95.00%	\$39,746.85			\$42,816.00	
1984	\$152,681.00	66.70%	\$101,838.23			\$59,511.00	
1985	\$261,251.00	67.89%	\$177,363.30	\$5,275,421.00	\$3,905,921.71	\$91,752.00	
1986	\$228,121.00	26.23%	\$59,836.14			\$48,623.00	
1987	\$270,251.00	26.23%	\$70,886.84			\$185,000.00	
1988	\$217,251.00	72.86%	\$158,288.08			\$115,383.00	\$1,500,000.00
1989	\$155,095.00	77.30%	\$119,888.44	\$249,500.00	\$184,729.80	\$142,614.00	
1990	\$218,894.00	47.17%	\$103,252.30			\$198,889.00	
1991	\$211,542.00	59.28%	\$125,402.10	\$89,652.00	\$66,378.34	\$129,709.00	
1992	\$238,818.00	64.81%	\$153,481.75			\$173,223.00	
1993	\$243,118.00	78.29%	\$190,337.08	\$110,000.00	\$81,444.00	\$201,024.00	
1994	\$240,420.00	80.74%	\$194,115.11			\$142,332.00	
1995	\$252,622.00	79.84%	\$201,683.40			\$146,000.00	
1996	\$253,054.00	67.48%	\$170,760.84			\$149,865.00	
1997	\$263,274.00	80.66%	\$212,356.81	\$915,000.00	\$603,426.00	\$153,168.00	
1998	\$284,031.00	78.60%	\$223,248.37			\$174,967.00	
1999	\$287,777.00	86.96%	\$250,250.88	\$46,583.00	\$34,490.05	\$175,586.00	\$200,000.00
2000	\$299,815.00	85.00%	\$254,842.75	\$45,950.00	\$34,021.38	\$187,862.00	
TOTALS	\$4,117,822.00	AVERAGE 74.04%	\$2,807,560.05	\$6,632,106.00	\$4,910,411.28	\$2,518,064.00	\$1,700,000.00

STATES COST FOR FORT PECK 1983 - 2000 **\$11,936,035.33**

FISH PRODUCTION	\$2,807,560.05
CONSTRUCTION	\$4,910,411.28
ACCESS	\$1,700,000.00
MANAGEMENT	\$2,518,064.00

MCH = MILES CITY HATCHERY
FT PECK = FORT PECK RESERVOIR

AVERAGE IS BASED ON TOTAL FISH PRODUCED AT MCH / TOTAL FISH FOR FORT PECK (1983 - 2000)

ATTACHMENT 8

ESTIMATED COST BREAK DOWN FOR FORT PECK RESERVOIR 2005 AND BEYOND

YEAR	ESTIMATED FEDERAL RESPONSIBILITY COST FOR FORT PECK HATCHERY		ESTIMATED STATE RESPONSIBILITY COST FOR FORT PECK RESERVOIR				ANNUAL COST FOR FISH PRODUCTION AND SPAWNING OPERATIONS FOR FORT PECK RESERVOIR
	FORT PECK HATCHERY OPERATION COSTS		MILES CITY H. COST FOR FORT PECK	MFWP COST FORT PECK SPAWNING	ESTIMATED REVENUES FROM WARM WATER STAMP		
2005	\$250,000.00		\$281,250.00	\$84,710.00	\$125,000.00	\$753,960.00	
2006	\$282,500.00		\$285,312.50	\$86,700.00	\$125,000.00	\$781,512.50	
2007	\$275,625.00		\$310,078.13	\$103,635.00	\$125,000.00	\$814,338.13	
2008	\$288,406.25		\$325,582.03	\$108,818.75	\$125,000.00	\$848,805.03	
2009	\$303,878.58		\$341,961.13	\$114,287.58	\$125,000.00	\$884,965.28	
TOTAL ANNUAL COST 2005	\$250,000.00		**	***	\$125,000.00	\$750,960.00	

* BASED ON ANNUAL BUDGET PROJECTIONS FOR MILES CITY HATCHERY MINUS PROJECTED REVENUES FROM WARM WATER STAMP (2000 O&M PLUS 5% COST INFLATION PER YEAR)

** ANNUAL MILES CITY BUDGET THAT WOULD BE USED FOR FORT PECK RESERVOIR (FY 2000 BUDGET = \$300,000 X 75%) ADJUSTED FOR INFLATION (5%/YEAR)

*** ANNUAL COST FOR SPAWNING, TRANSPORTATION OF EGGS FOR CHINOOK AND WALLEYE FOR FORT PECK RESERVOIR (ASSUMING FORT PECK HATCHERY IS OPERATIONAL IN 2005 AND OPERATIONS OF FORT PECK HATCHERY IS FEDERAL RESPONSIBILITY) COST FOR STURGEON, SAUGER, AND OTHER PROJECTS RELATED TO NATIVE FISH ARE NOT INCLUDED IN THESE COSTS

STATEMENT OF BUD CLINCH, MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

On behalf of the Missouri River Basin Association, I am providing you with this testimony in support of a Congressional authorization for the warm water fish hatchery at Fort Peck Reservoir in northeastern Montana (S. 2027).

The Missouri River Basin Association (MRBA) is a coalition of the Missouri River basin's states and Indian tribes. The organization has a nine-member board comprised of one representative of the basin's Indian tribes and one Governor-appointed representative from each of eight Missouri basin states (Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming). I serve as the Director of the Montana Department of Natural Resources and Conservation, and as Montana's representative to MRBA. The association coordinates planning activities for the Missouri River among the basin's states, Federal agencies, and Indian tribes.

Five years ago, the Corps of Engineers asked MRBA to develop recommendations on a river operating plan that would be acceptable to the basin's states and tribes. MRBA spent several years working with marina operators, farmers, navigators, and representatives of water supply interests to develop recommendations to improve the overall economic and environmental conditions of the Missouri River basin. Two years ago, MRBA completed this task with the publication of its "Missouri River Planning Recommendations" document. A fish hatchery to be built at Fort Peck was one such recommendation. Constituents throughout the basin support the recommendations included in that document. During the past 2 years, MRBA has worked with water users and interests to address the more difficult issues of drought flow management and recovery of the basin's threatened and endangered bird and fish species.

The entire basin supports the fish hatchery at Fort Peck Reservoir for a variety of reasons:

- MRBA and its constituents support the development of recreational resources throughout the basin. The fish hatchery would help turn Fort Peck Reservoir into a world class fishery.
- The fish hatchery would be good for the economy of the state and region. Improvements to the Fort Peck fishery will help draw fishermen and recreationists from around the country.
- The fish hatchery would provide mitigation for the on-going impacts to the Fort Peck fishery from the river system operations and water releases for downstream uses.
- The warm water fishery can produce pallid sturgeon, a federally listed species. The sturgeon fry can be used to stock the waters of the Yellowstone River and the Missouri River below Fort Peck, its traditional habitat.

In summary, the fish hatchery at Fort Peck Reservoir makes good economic and environmental sense. Fort Peck Reservoir has incredible fisheries potential for multiple species if appropriate stocking rates can be implemented. Now is the time to invest in such projects because the upcoming commemorations of the Lewis and Clark journey up the Missouri River will bring tens of thousands of people to this region. This fish hatchery can enhance the reservoir attraction, restore an endangered species, and provide for economic growth. For all these reasons I urge your support of S. 2027.

STATEMENT OF CHUCK LAWSON, CHAIRMAN, CITIZENS FOR A FORT PECK HATCHERY

Lawson and I represent thousands of people, both resident and non-resident, of a grass-roots group called Citizens for a Fort Peck Fish Hatchery. This grass roots group was formed by talking to and listening to anglers from all across the state of Montana. The more people we visited with, the more it became apparent that, in order to protect our existing warm-water fishery, to improve our angling, and to have ample angling opportunities for our children, we needed to look to the future and plan for it now. In addition, providing a good fishery is vital to our sagging Eastern Montana economy.

With these ideas in mind, we decided to go out and talk to other communities about them. We had meetings in Billings, Great Falls, Wolf Point, Miles City, Glendive, Sidney, Glasgow, Plentywood, and Lewistown. We advertised the meetings on the radio stations and the newspapers in the communities prior to each meeting. There were many ideas discussed and much debate, but two things became crystal clear after all of these meetings were completed. First, the warm-water anglers of Montana wanted to protect and enhance their fisheries for today and they wanted to preserve angling opportunities for their children for tomorrow. Second, they had

absolutely no qualms about paying for this project with a self-imposed \$5.00 warm-water fishing stamp.

The hatchery has created a huge amount of interest and, for the first time in years, you can actually see communities and citizens pulling together for a common cause. Let me explain something about warm-water anglers and how they operate. First, these anglers are very mobile. Most of them own fishing boats and trailers and can move from one body of water to another at the drop of a hat. If the fishing in lakes in Montana is poor, these people just back their pickups up to their boats and away they go to a different state or province where the fishing is good. So, if the fishing is poor, first you lose your resident anglers spending their dollars in our local economies and second, you don't attract non-resident anglers to spend their dollars in your communities. Now, if fishing is good on our lakes and rivers, we keep resident anglers at home and they spend their dollars locally. If the fishing is very good, you also attract out-of-state anglers who spend their dollars in our communities. If we develop an exceptional fishery, we can attract large, national media events like The In-Fisherman program or the Professional Walleye Tour that bring our lakes into millions of people's living rooms through television. These things are actually happening at Fort Peck Lake right now, but, if we don't take action to protect and enhance our fisheries, these things will disappear.

So, with these ideas we went to the 1998-99 legislative session in Helena, Montana. We worked hard as a grass-roots group and, along with Walleyes Unlimited of Montana and the Montana Bass Federation, we were able to get the new warm-water stamp and the new Fort Peck Fish Hatchery designated and signed into law by Governor Racicot. We did not come out of the legislature, however, without an amendment that stated if we didn't get some Federal funding by June 30 of 2001, then the hatchery project would be dead.

In September 1999, we had a meeting with all interested parties and tried to come up with a way to get a conceptual design and cost study done. We asked the Corps of Engineers how much it would cost if they did the study. They told us that the cost would be approximately \$250,000. Senator Burns had been lobbying to get this fully funded, but wasn't successful. Instead, he was instrumental in getting a 50/50 cost share from the Corps budget from planning assistance to states. The Department of Fish, Wildlife, and Parks didn't have any funds to pay the other \$125,000, nor did the State. So that left the private sector and the Citizens for a Fort Peck Hatchery to come up with the other 50 percent for the cost share.

We knew that the warm-water stamp would generate moneys to pay this 50 percent cost share, but it wouldn't go on sale until March 1 of 2000. So how could we come up with \$125,000 by December, 1999? Well, where there is a will, there is a way. First we contacted the Montana Department of FWP and asked them if they would release the moneys from the warm-water stamp to repay a loan if we could secure a loan for \$125,000. At first the Dept. told us they didn't know how much the stamp would raise annually, but they seemed to think it would be at least \$125,000.

Next, by law, the only thing that the stamp money can be used for is construction, operation, and maintenance of the new hatchery. So, they had to determine if a conceptual design and cost estimate were indeed part of construction. The Dept. of FWP attorneys agreed that design was part of construction and, therefore, if we could secure a loan, then they would release whatever stamp moneys were available to repay the loan.

We then approached First Community Bank in Glasgow and asked if their lending institution would be willing to make a loan of \$125,000 using the warm-water stamp for collateral. At the same time, we talked with Nemont Telephone Cooperative of Scobey, MT, and asked them if they also might be interested in helping with a loan. After about a week or so, Mr. Sam Waters, President of First Community Bank, had us meet with three other banking officers from Glasgow. We explained our plan to borrow the \$125,000 and have the stamp funds repay the loan when the moneys became available. After another week, Mr. Waters called and stated that they had 14 banks, two credit unions, and Nemont Telephone Cooperative that would loan the \$125,000 so the study could begin.

By this time—it is December, 1999, and we have to have the conceptual design done and a firm cost estimate to give to our Federal legislators by at least March of 2000. As of March 30, 2000, the Corps of Engineers, Omaha District, finished the conceptual design. The Corps of Engineers, Omaha District, did a superb job of doing the study and got it to us in an extremely short timeframe.

The study has now been given to the Montana Congressional delegation. We believe that the Federal Government has an obligation to help with this funding. The government came to Montana in the 1930's and built Fort Peck Dam. Montana and its citizens were promised low-cost power and irrigation from Fort Peck project.

Later Fort Peck finally received a recreation status, as well. To this day, neither Montana nor its citizens, past or present, have realized any low-cost power or irrigation from Fort Peck. Montana, meanwhile, has spend many millions of dollars to improve recreational opportunities around Fort Peck Lake. When the dam was built, the water behind the dam flooded some of the most productive agricultural land in five eastern Montana counties. That land is out of production forever. Montana and the counties around Fort Peck Lake have built and maintained the roads around Fort Peck Lake for decades with little or no Federal help.

We also feel that the Missouri River dams have stopped the migration routes of some fish species, especially the Pallid Sturgeon. This fish is now listed on the threatened and endangered species list. We also know that sauger is another fish native to the Missouri that has dwindling numbers and is a species of special concern to the Montana Dept. of FWP.

As we look ahead into the new millennium, we realize that small agricultural-based communities will have to diversify in order to remain solvent. We, in our communities, are already seeing stores closing their doors forever. Some stores, such as J.C. Penney stores, have been a landmark in the communities of Glasgow and Miles City for generations. These stores will be missed on county tax rolls and by the people they served. We realize that Federal money spent in Montana to construct a fish hatchery will benefit many generations of citizens, both resident and non-resident. We know that people come to Montana to recreate more and more every year. These people come from all over the United States and we feel that this fish hatchery will help us to be able to provide exciting recreational experiences for residents and non-residents for many years to come.

A common misconception about the Fort Peck Fish Hatchery is that all the fish raised at the hatchery will go into Fort Peck Lake. This is not at all true. Fish from this hatchery will be planted wherever the Dept. of FWP has a need for them. The stocking of fish in other Montana lakes and rivers will help other communities in Montana realize economic benefits also. In decades to follow, we will still be here as stewards of recreation and the new Fort Peck Fish Hatchery will realize its potential in fish management, economic opportunities, and as a promise to citizens all over this great nation that Montana is still the Last Best Place to come and recreate.

In closing, I would like to thank the committee for hearing our testimony. We would also like the committee to know that the Citizens for a Fort Peck Fish Hatchery has not been paid for anything that we have done to date. When we started this project over 18 months ago, we knew that it would take time and we have not been deterred. We have imposed a \$5.00 warm-water stamp on ourselves to help pay the operation and maintenance of the Fort Peck Hatchery once operational. We are asking for the Federal Government to form a partnership with the State of Montana, the private sector, and citizens to make this hatchery project a true win/win situation for all parties involved.

ANGLERS' DOLLARS BOOST STATE ECONOMY

ANGLERS' DOLLARS WORTH \$448 MILLION TO MONTANA'S ECONOMY

SPENDING ON RECREATIONAL FISHING HELPS TO CREATE 7,505 FULL-TIME JOBS

Dec. 11, 1997.—Montana's 335,484 adult anglers spent \$243,500,824 last year on fishing trips and equipment, according to economic statistics released today by the American Sportfishing Association. The study indicated that the local economic impact of angler expenditures in Montana was \$447,974,606 in 1996.

"Sportfishing is more important to Montana than ever before," said ASA President Mike Hayden. "What an angler spends during a weekend fishing trip ripples through the economy to create jobs, wages and tax revenues for state and Federal Governments. In Montana, these numbers are significant."

The study conducted by Dr. Vishwanic Maharaj, ASA's director of economics, indicates that sportfishing in Montana during created:

- the equivalent of 7,505 full-time jobs;
- \$123,422,673 in wages;
- \$214,788 in State tax revenue; and
- \$11,114,641 in Federal tax revenue.

The study also indicated that anglers spent 2.617,100 days fishing Montana's waters for a variety of game fish.

"Anglers in Montana are fishing more days and spending more money on each trip," Maharaj said.

Hayden said the link between strong fishery resources and Montana jobs is clear.

"Often industries such as power, timber and agriculture have pitted the need to protect their jobs against the need for healthy fisheries," Hayden said. "These statistics send a pretty powerful message that wise conservation choices that protect fish also protect jobs. Clean, fishable water is of vital importance to our economy."

The expenditure data used in ASA's economic impact analysis comes from the 1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, which was conducted by the U.S. Fish and Wildlife Service. The survey polled sportsmen and women age 16 and older on their spending habits and activities outdoors.

Nationally, the statistics indicate that the total economic impact of recreational fishing in the United States reached \$108 billion in 1996. Corrected for inflation, that is a 36 percent increase since the last such study was conducted in 1991.

Sportfishing created more than 1.2 million full-time jobs in the United States in 1996, generating \$28.3 billion in wages. Sportfishing created more than \$3 billion in Federal income tax revenue and \$2.39 billion in State income tax revenue.

ASA is a non-profit industry association working to ensure healthy and sustainable resources and increase sportfishing participation through education, conservation promotion and marketing. It is the only recreational fishing organization that employs a full-time economist to conduct original research and analyze research by the Federal Government and others on sportfishing.

OFFICE OF SENATOR CONRAD BURNS, MONTANA
March 9, 2000

Mr. CHUCK LAWSON
Chairman
Citizens for a Fort Peck Hatchery
P.O. Box 607
Glasgow, MT 59230-0607

DEAR CHUCK: I wanted to alert you to the progress being made as I work with other Montanans to make the Fort Peck Fish Hatchery project a reality. On February 3, 2000 I introduced S. 2027, the "Fort Peck Fish Hatchery Authorization Act of 2000."

As you may know, the Fort Peck project was built in the 1930's to dam the Upper Missouri River. The original authorization legislation for the Fort Peck project, and subsequent revisions and additions, left a great many promises unmet. A valley was flooded, but originally Montana was promised increased irrigation, low-cost power, and economic development. Since the original legislation, numerous laws have been enacted promising increased recreational activities on the lake, and to ensure that the Federal Government would provide more support for the fish and wildlife resources in the area.

In this day and age, economic development in rural areas is becoming more and more dependent upon recreation and strong fish and wildlife numbers. The Fort Peck area is faced with a number of realities. First, the area is in dire need of a fish hatchery. The only hatchery in the region to support warm water species is found in Miles City. It is struggling to meet the needs of the fisheries in the area, yet it continues to fall short. Additionally, an outbreak of disease or infrastructure failure at the Miles City hatchery would leave the entire region reeling, with no secondary source to support the area's fisheries.

We are also faced with the reality that, despite the promises given by the Federal Government, the State of Montana has had to foot the bill for fish hatchery operations in the area. Since about 1950 the State has been funding these operations with little to no support from the Army Corps of Engineers. The Citizens for a Fort Peck Fish Hatchery, a citizen's group spanning the State of Montana, finally decided to make the Federal Government keep its promises.

Last year the citizen's group organized, and state legislation subsequently passed to authorize the sale of a warm water fishing stamp to begin collecting funds for the eventual operation and maintenance of the hatchery. I helped the group work with the Corps of Engineers to ensure that \$125,000 in the Corps budget for fiscal year 2000 was allocated to a feasibility study for the project, and Montanans kept their end of the bargain by finding another \$125,000 to match the Corps expenditure. Clearly, the local area is putting their money, along with their sweat, behind this project.

A lot of effort has already gone into this project. A state bill has been passed. The Corps has dedicated a project manager to the project. Citizens have raised money and jumped over many of the hump. But the bottom line is that this is a great project with immense support. It is a good investment in the area, and it helps the Federal Government fulfill one thing that it ought to—its promises.

I want to acknowledge that this legislation is still a work in progress and many of the specifics will change as the Corps completes its feasibility study on the project. It may cost slightly more than the legislation that I have introduced. It may cost less. No piece of legislation comes out of the process in the same form it went in, but I felt it was vitally important to introduce legislation to keep the ball rolling. I look forward to working with the rest of the Montana Delegation, the State of Montana, citizens, and the administration to work out the details and get the hatchery built as soon as possible.

Sincerely

CONRAD BURNS, *United States Senator.*

OFFICE OF THE GOVERNOR,
State of Montana, January 18, 2000.

CHUCK LAWSON
Citizens for a Fort Peck Hatchery
P.O. Box 607
Glasgow MT 59230

DEAR MR. LAWSON: This is in reply to your letter last August regarding our administration's assistance in securing funding for the Fort Peck multi-species hatchery. I understand you have communicated regularly with Fish, Wildlife and Parks (FWP) on this matter, but wanted to take a few minutes even at this late date to respond directly.

A great deal of activity has taken place in recent months to push forward the Fort Peck Fish Hatchery. In particular, an agreement has been reached between the State and the Corp of Engineers for a preliminary engineering study which is a crucial first step. FWP will commit the proceeds from the sale of the warmwater fish stamp to the study. I was particularly pleased to see the community step forward and provide interim funding for the match to the Corp of Engineers (COE) until the proceeds from the warmwater stamp become available. This type of commitment and ingenuity in solving problems is a credit to you and others who are promoting this project and essential to seeing it completed. I will follow the progress of the study closely and provide assistance and support when this issue comes before Congress.

Thank you again for your interest in this project. We look forward to working with your organization and the COE in the coming months.

Sincerely,

MARC RACICOT, *Governor.*

OFFICE OF SENATOR MAX BAUCUS, MONTANA,
May 12, 1999.

Mr. CHUCK LAWSON
Chairman
Citizens for a Fort Peck Hatchery
P.O. Box 607
Glasgow, Montana 59230

DEAR CHUCK: Thank you for your letter in support of the Fort Peck Fish Hatchery. As you know, I support this important project and will work in partnership with Citizens for a Fort Peck Hatchery to see it completed.

To that end, I have asked Jo-Ellen Darcy of the Senate Environment and Public Works Committee, of which I am ranking Democrat, to assist you in your dealings with the U.S. Army Corps of Engineers and other Federal agencies. Please contact her at (202) 224-8832.

Thank you for allowing my involvement in this project. Please don't hesitate to contact me at any time.

With best personal regards, I am

Sincerely,

MAX BAUCUS.

OFFICE OF SENATOR MAX BAUCUS, MONTANA,
January 31, 2000.

Mr. CHUCK LAWSON
*Chairman
 Citizens for a Fort Peck Hatchery
 P.O. Box 607
 Glasgow, Montana 53230*

DEAR CHUCK: I appreciate receiving updates on the progress of the Fort Peck Fish Hatchery project. When you and Sam Kitzenberg proposed this project to my office in the fall of 1998, prior to the 1999 session of the Montana Legislature, I was strongly supportive of the hatchery proposal. It was then and continues to be my opinion that this project will have a huge impact on economic development and natural resources in northeastern and central Montana.

As the Ranking Democratic Senator for the U.S. Senate Committee on Environment and Public Works, I look forward to receiving the request for authorization of the Fort Peck Fish Hatchery. I assure you and those Montanans who have worked so hard on this project that I will make it a priority to see it successfully reported to the full Senate.

I also pledge my support to work closely with the other members of the Montana congressional delegation to secure funding from my Democratic colleagues through the appropriations process.

Again, my thanks for your consistent leadership in this project. I look forward to working with you, the Citizens for a Fort Peck Hatchery, the Montana Chapter of Walleyes Unlimited, as well as the Montana counties and communities who have taken such an active role. I am particularly pleased to with the partnership role taken by the Federal and state agencies who have collaborated so well in this endeavor, particularly Roy Snyder and the U.S. Army Corps of Engineers.

With best personal regards, I am

MAX BAUCUS.

OFFICE OF THE LIEUTENANT GOVERNOR,
State of Montana, April 4, 2000.

CHUCK LAWSON
*Citizens for a Fort Peck Fish Hatchery
 P.O. Box 607
 Glasgow MT 59230*

DEAR CHUCK: Thank you so much for sending me an update on the Fort Peck Fish Hatchery project.

The Citizens for a Fort Peck Fish Hatchery have worked very hard supporting this project and should take great pride in the progress that has been made so far. I have always believed that the best way to ensure success is for people to come together working cooperatively for common cause. I agree that it is rare to be able to pull together so many diverse parties in cooperation as you have done, and I congratulate you on your well earned success.

Thank you again for your update and best wishes for the continued success of this wonderful project.

Sincerely,

JUDY MARTZ, *Lieutenant Governor.*

DEPARTMENT OF THE ARMY,
 CORPS OF ENGINEERS,
Omaha, NE 68102-4978, 6 January 1999

Mr. CHUCK LAWSON,
*Chairman
 Citizens for a Fort Peck Hatchery
 P.O. Box 607
 Glasgow, MT 59230.*

DEAR MR. LAWSON: This is in response to your December 21, 1998 letter to Mr. Roy Snyder of my stay requesting the availability of Corps of Engineer lands below Fort Peck Dam for a multi-species fish hatchery.

The use of the requested lands for a fish hatchery is compatible with the authorized project purpose of fish and wildlife management as provided by the 1944 Flood Control Act, as amended. It is also consistent with similar facilities we have below

our dams in North Dakota and South Dakota. Accordingly, provided all environmental laws and regulations are met and we have a valid request for the lands from a government entity, I can foresee that the lands would be made available for construction of a fish hatchery.

I should emphasize, I am not commenting on whether a fish hatchery at this location would be good or bad or is even needed. I am, however, saying a fish hatchery is compatible with the Corps mission and we have made our lands available for similar facilities in the past.

I hope this preliminary assessment of the availability of Corps lands for a fish hatchery is helpful. If you have any questions or need additional information please contact me at (402)221-4135 or Mr. Roy Snyder At (406,526-3411.

Sincerely,

PAUL R. WEMHOENER, P.E.
Chief, Operations Division.

STATEMENT OF ROBERT MCCOLLY, ON BEHALF OF THE VALLEY ELECTRIC
COOPERATIVE, INC.

Good morning. My name is Robert McColly and I am a former Board President and member of Valley Electric Cooperative behalf today. I am a life-long resident of Montana the rural electric cooperative movement since 1964.

The legislation that is the subject of this hearing, S. 2027, proposes to establish a warm water fish hatchery at Fort Peck Lake. This legislation reflects an increasing environmental awareness and recognizes the need to take action to maintain viable fish populations in the Missouri River and its reservoirs.

I am concerned, however, about the power supply provisions contained in Section 6 (Cost Sharing) (b)(3) which states "The Secretary [of the Army] shall offer to the hatchery project low-cost project power for all hatchery operations."

First, the marketing of power generation at the Pick-Sloan Missouri Basin Program multi-purpose dams is a responsibility of the Western Area Power Administration (WAPA), not the Corps of Engineers. WAPA was established in 1977 for that specific purpose—to market Federal power generated at Federal dams. Under the Flood Control Act of 1944, that power is first offered to consumer-owned electric utilities in the region.

The Western Area Power Administration has currently allocated all of the output of the Federal dams that are part of the Pick-Sloan Missouri Basin Program. That means that any legislation enacted that calls for further allocations of Pick-Sloan power will force WAPA to withdraw power from existing customers.

Pick-Sloan power is a crucial part of our power supply. The rural electric cooperatives, municipal electric utilities, and public power districts in the region entered into a partnership with the Federal Government to help pay the costs of a vast regional scheme meant to aid in the economic development of the region. Rather than build their own power plants, these consumer-owned entities agreed to purchase the output from the Federal dams. In areas as sparsely settled as Montana and other upper Great Plains state, this power has helped to nurture already fragile local economies.

Our allocations of Pick-Sloan power are already being diminished. Our rural electric cooperative—along with all other firm power Federal customers—will already be losing 4 percent at the end of this year to provide power for newly qualifying consumer-owned electric utilities and Native American Tribes under WAPA's Energy Planning and Management Plan (EPAMP). In 2006, WAPA may withdraw another 1 percent of our Federal allocation to create another Resource Pool for additional allocations. The Corps' impending revision of the Master Manual also threatens to diminish the Federal resource we depend upon. Changes in river operations could threaten not only the availability of Federal power, but also its price. The Western Area Power Administration cannot market power that is not there.

The Endangered Species Act stand to affect Missouri River operations, and, in fact, it already has. The Corps of Engineers has already modified releases in an effort to help recover the Interior Least Tern and Piping Plover, losing precious power generation in the process. The recovery plan for the pallid sturgeon has yet to be decided.

Power supply for the fish hatchery is an important issue, no doubt about that; but it must be analyzed within the context of the economies it is meant to serve. In this part of the country, we know full well how important affordable power is.

The hatchery would receive the benefits of Pick-Sloan power by purchasing its needs from the local rural electric cooperative. A power supply for the hatchery using Pick-Sloan power from the dam will disadvantage the local rural electric coop-

erative by reducing their allocation and depriving all consumer-owners in the area of needed load to maintain rate stability. The whole is greater than the sum of its parts.

Furthermore, since the operations and maintenance costs of the hatchery are a Federal obligation, it makes little sense to sell the power at the project rate (2.5 mills). To do so would make the power costs not a Federal obligation, but the obligation of power customers throughout the region, who will be paying for the true cost (currently 14.54 mills) through their electric bills.

As I understand it, the fish hatchery would not be needing power until 2006 or so. Why not seek an allocation under the next Resource Pool allocation process of the Western Area Power Administration? In that way, the hatchery could receive a direct allocation of Pick-Sloan power without forcing WAPA to withdraw even more power from its firm power customers.

I urge the sub-committee to vest the determination of Federal power supply with the Federal agency that bears that responsibility—the Western Area Power Administration; and consider alternatives to the power supply language currently in the bill.

Thank you.

STATEMENT OF CARL SEILSTAD, WALLEYES UNLIMITED

Unlimited. It is an honor to represent Walleyes Unlimited and all warm water fishermen across the state in promoting the multi species warm water fish hatchery. Walleyes Unlimited is an organization that helps promote, enhance and protect the future of fishing in Montana. We have a membership in excess of 4000 members. We have 18 chapters across Montana; warm water anglers are all over the state of Montana.

Individual citizens all well as various organizations have put forth a lot of time and effort to promote the hatchery to where it is today. People who have said they do not fish have helped us also. This defines the amount of support we have received on the hatchery. \$63,867.95 has been contributed to the hatchery fund as of April 23, 2000. Walleye Unlimited Chapters, private citizens, and various businesses and organizations have contributed to the fund. These funds are designated for payment on the loan that was obtained to pay for the conceptual design of the hatchery.

We as Walleyes Unlimited members strongly believe the new hatchery will help preserve and protect the future of fishing for generations to come. Take for example the Gauger, a native species to many rivers and lakes. The Gauger is currently on the concerned species list. Currently MFWP has reduced catch limits for sauger on certain rivers. Last year 1,000,000 Gauger eggs were collected. Out of the million eggs only 200,000 fry were released and 100,000 fingerlings. There isn't sufficient space at Miles City to keep up with the declining sauger numbers. The new hatchery would have the space and capabilities to help keep this species of fish from being put on the endangered species list.

Walleyes Unlimited Chapters across the state each year conduct kids fishing days. We teach young anglers fish information, knot tying, the importance of catch and release and various other fishing techniques. We feel it is very important to get children involved in fishing. The MFWP has also started a program called Get Hooked on Fishing. Not on Drugs Schools and teachers across the state are involved in this program. The schools that sign up for this program are sent fishing tackle and booklets on techniques and ethics of fishing. Field fishing days and classroom activities make this program very beneficial.

We do all of these activities and programs for our future anglers. Let's insure these young people we will have quality warm water fishing in the state. The new warm water multi species hatchery will help make this goal a reality.

106TH CONGRESS
2D SESSION

S. 2027

To authorize the Secretary of the Army to design and construct a warm water fish hatchery at Fort Peck Lake, Montana.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 2000

Mr. BURNS introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To authorize the Secretary of the Army to design and construct a warm water fish hatchery at Fort Peck Lake, Montana.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Fort Peck Fish Hatch-
5 ery Authorization Act of 2000".

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) Fort Peck Lake, Montana, is in need of a
9 warm water fish hatchery;

1 (2) the burden of carrying out efforts to raise
2 and stock warm water fish species in the State of
3 Montana has been disproportionately borne by the
4 State despite the existence of many Federal projects
5 on waterways in the State;

6 (3)(A) as of the date of enactment of this Act,
7 eastern Montana has only 1 warm water fish hatch-
8 ery, which is inadequate to meet the demands of the
9 region; and

10 (B) a disease or infrastructure failure at that
11 hatchery could imperil fish populations throughout
12 the region;

13 (4) although the multipurpose project at Fort
14 Peck, Montana, authorized by the first section of the
15 Act of August 30, 1935 (49 Stat. 1034, chapter
16 831), was intended to include irrigation projects and
17 other activities designed to promote economic
18 growth, many of those projects were never com-
19 pleted, to the detriment of the local communities
20 flooded by the Fort Peck Dam;

21 (5) the process of developing an environmental
22 impact statement for the update of the Corps of En-
23 gineers Master Manual for the operation of the Mis-
24 souri River recognized the need for greater support

1 of recreation activities and other authorized pur-
2 poses of the Fort Peck project;

3 (6)(A) although fish stocking is included among
4 the authorized purposes of the Fort Peck project,
5 the State of Montana has funded the stocking of
6 Fort Peck Lake since 1947; and

7 (B) the obligation to fund the stocking con-
8 stitutes an undue burden on the State; and

9 (7) a viable warm water fishery would spur eco-
10 nomic development in the region.

11 **SEC. 3. PURPOSES.**

12 The purposes of this Act are—

13 (1) to authorize and provide funding for the de-
14 sign and construction of a warm water fish hatchery
15 at Fort Peck Lake, Montana; and

16 (2) to ensure stable operation and maintenance
17 of the fish hatchery.

18 **SEC. 4. DEFINITIONS.**

19 In this Act:

20 (1) FORT PECK LAKE.—The term “Fort Peck
21 Lake” means the reservoir created by the damming
22 of the upper Missouri River in northeastern Mon-
23 tana.

24 (2) HATCHERY PROJECT.—The term “hatchery
25 project” means the project authorized by section 5.

1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of the Army.

3 **SEC. 5. AUTHORIZATION.**

4 The Secretary shall carry out a project at Fort Peck
5 Lake, Montana, for the design and construction of a fish
6 hatchery and such associated facilities as are necessary to
7 sustain a warm water fishery.

8 **SEC. 6. COST SHARING.**

9 (a) DESIGN AND CONSTRUCTION.—

10 (1) FEDERAL SHARE.—The Federal share of
11 the cost of design and construction of the hatchery
12 project shall be 75 percent.

13 (2) FORM OF NON-FEDERAL SHARE.—

14 (A) IN GENERAL.—The non-Federal share
15 of the cost of the hatchery project may be pro-
16 vided in the form of cash or in the form of
17 land, easements, rights-of-way, services, roads,
18 or any other form of in-kind contribution deter-
19 mined by the Secretary to be appropriate.

20 (B) REQUIRED CREDITING.—The Sec-
21 retary shall credit toward the non-Federal share
22 of the cost of the hatchery project—

23 (i) the cost to the State of Montana
24 of stocking Fort Peck Lake during the pe-
25 riod beginning January 1, 1947; and

1 (ii) the cost to the State of Montana
2 and the counties having jurisdiction over
3 land surrounding Fort Peck Lake of con-
4 struction of local access roads to the lake.

5 (b) OPERATION, MAINTENANCE, REPAIR, AND RE-
6 PLACEMENT.—

7 (1) IN GENERAL.—Except as provided in para-
8 graphs (2) and (3), the operation, maintenance, re-
9 pair, and replacement of the hatchery project shall
10 be a non-Federal responsibility.

11 (2) COST ASSOCIATED WITH THREATENED AND
12 ENDANGERED SPECIES.—The cost of operation and
13 maintenance associated with raising threatened or
14 endangered species shall be a Federal responsibility.

15 (3) POWER.—The Secretary shall offer to the
16 hatchery project low-cost project power for all hatch-
17 ery operations.

18 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

19 (a) IN GENERAL.—There are authorized to be appro-
20 priated to carry out this Act—

21 (1) \$5,000,000 for fiscal year 2001;

22 (2) \$5,000,000 for fiscal year 2002; and

23 (3) such sums as are necessary to carry out
24 section 6(b)(2).

6

1 (b) AVAILABILITY OF FUNDS.—Sums made available
2 under subsection (a) shall remain available until expended.

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