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Testimony on Creating Abundant Water and Power Supplies and Job Growth by
Restoring Common Sense to Federal Regulations
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My name is Richard Pool and I am a member of the California salmon fishing industry. I appreciate the opportunity to appear before you today.

I was deeply disturbed to read the public announcement of the hearing by the Sub Committee on Water and Power scheduled for Fresno on April 11th. Based on some very strong words by several representatives, it appears that the objective of this hearing is to lay the groundwork to shut down the California salmon fishing industry and allow the Central Valley salmon runs to go extinct. Should these actions take place, my company and thousands of others will be out of business. I am here today to respond.

I am a manufacturer of salmon fishing equipment located in Concord, California. My company has been in business 32 years. We are one of the largest manufacturers of the specialized lures and attractors that are used to catch salmon. I have been involved in salmon recovery efforts for thirty years and have served on numerous state and federal advisory committees involving salmon. I am here today on behalf of my own company, Pro-Troll Fishing Products, The Golden Gate Salmon Association and Water4Fish. I am also here on behalf of the thousands of businesses involved in the economic activity related to salmon fishing in California. This includes both sport and commercial businesses. We are the fishermen who catch the salmon. We are the seafood processors who handle the fish and bring it to market. We are the marinas and other infrastructure facilities that support the salmon industry. We are the manufacturers and distributors of the specialized equipment used to catch salmon. We are the salesmen who represent the manufacturers in the market. We are the retailers that provide the access to salmon equipment in our stores. We are the ocean charter operators and river guides that carry up to 300,000 salmon fishermen a year. We are the recreational fishermen who choose salmon fishing as a preferred healthy outdoor family activity. And finally, many of us are those that are 100% unemployed and have lost our businesses, our boats and sometimes our homes.

It seems rather clear that the target of those who represent the junior water rights holders of the West Side of the San Joaquin valley is to undo the biological opinion of the National Marine Fisheries Service that was put into place to keep salmon and steelhead from going extinct. To accomplish this they appear willing to destroy the billion dollar salmon industry and the economic engine for hundreds of coastal communities.

For over one hundred years the salmon industry has been a mainstay of the California economy and a major food producer for California and the nation. As recently as 2002, 720,600 Central Valley salmon were harvested sending over 8.6 million pounds of fresh salmon to the market. Since that time the policies of the state and federal water agencies have devastated most of this production. It can be recovered, but it cannot be recovered without policies that balance the water needs of the salmon with the other water needs of the state. A water grab by a few agricultural interests at the expense of the salmon industry and the other water users of the state is simply fallacious public policy.

I am attaching a chart which shows the decline of the most important salmon run in the state. It is the fall run salmon of the Central Valley. The chart shows that between 2002 and 2009 the run declined 97%. This is the largest salmon decline in U.S. history since the era of dam construction. The fall run is the mainstay of the salmon industry. Because of this crash, the entire salmon industry was shut down in 2008 and 2009 with only a token season in 2010. The economic impact of the shutdown was staggering. Tens of thousands of jobs were lost and coastal communities from Morro Bay to Crescent City lost their primary economic engine.

Last year Governor Schwarzenegger reported to the Commerce Department that the economic damage from the closure of salmon fishing in California amounted to at least \$250 million per year. Southwick Associates calculated the real cost at approximately \$1.4 billion to California alone and probably half that much again to Oregon. This calculation was based on the use of federal and state data. It also showed a job loss of 23,000.

The primary reason for the fall run crash was the policies of the government which allowed unlimited pumping of water from the Delta between 2000 and 2007. In the spring of each year, in excess of 30 million tiny salmon smolts migrate down the Sacramento River and through the Delta on their way to the ocean. Studies show that when the pumps run at maximum, up to 92% of these smolts are either lost in the river or are pulled into the central Delta where there is no foliage cover and there is no food. The result is that the smolts perish.

If you look at the fall run chart again, you'll see that in 2010 the trend was finally reversed and the run size increased. There are two factors that appear to be the primary reasons for this increase. In the spring of 2008, the Federal Court ruled that the biological opinion which was in place did not protect the salmon from extinction. Based on the scientific evidence, the court curtailed the spring 2008 pumping rate which cut the smolt mortality in the Delta. The result, three years later, was that the mature adults came back in increased numbers in the fall of 2010. Another factor which helped the

2010 recovery was trucking hatchery smolts around the Delta. In the spring of 2008, approximately 13 million hatchery smolts were trucked around the Delta to San Pablo Bay thereby avoiding the destruction by the Delta pumping. These two factors minimized the damage by the pumps. The improved 2010 returns show the results.

There are some who say the decline of salmon was caused by poor ocean conditions but this is contradicted by the fact that native delta fish, which never venture to the ocean, declined precipitously at the same time the pumps were ramped up and the salmon declined. In other words, the ocean conditions theory doesn't explain the loss of fish like the delta smelt that don't live in the ocean.

There are three other salmon runs in the Central Valley. They are also in deep trouble. The table shows the current situation and how much they have dropped. Unfortunately, these runs are wild fish and cannot be trucked around the Delta. They suffer the full impact of the pumps. The Winter Run, which is listed as endangered, is once again very close to extinction.

	<u>Base Year</u>	<u>Base Yr Returns</u>	<u>2010 Returns</u>	<u>Percent Drop</u>
Late Fall Run	2007	17,8408,848	50.4%	
Spring Run	2003	30,1714,606	84.7%	
Winter Run	2006	16,9291,555	90.8%	

The political thrust to overturn the biological opinion of 2009 is the wrong policy. In all likelihood the biological opinion is the only thing left between survival and extinction of the salmon runs and the thousands of jobs that depend on them.

The biological opinion also represents the best available science. The National Marine Fisheries Service spent six years researching the causes of the salmon declines and the needed corrective actions. Their conclusions were peer reviewed three times. At the request of Congress, the National Academy of Sciences also reviewed the NMFS findings. The NAS supported the basic findings of the opinion.

The future water policies in California are extremely important and are highly complex in nature. The Brown Administration and the State Legislature are working diligently to formulate the best policies for all sectors of the state. We believe the track which some in the Water and Power Sub Committee are currently proposing which attempts to put a small sector of the water users in a preferred position is highly counterproductive to the

states best interests. It will only result in more delays and more lawsuits which compound the problem.

The salmon industry in California is hurting badly and we are seeking government assistance for our plight. I am attaching two exhibits which demonstrate the problems we are facing. The first is a list of fifty salmon-related businesses that have completely shut down since 2008. The other exhibit shows three examples of salmon businesses that are hurting badly. I can add Pro-Troll to that list. We lost 40% of our business with the 2008 salmon closure. In spite of our best efforts at selling in other regions, we have not been able to replace that loss. We have not made money in three years, our credit line has been cut off and we have cut expenses to the bone to survive. We have laid off employees, cut nearly all advertising and stopped most new product development.

The salmon industry needs salmon recovery. We do not need policies which only exacerbate our problems. We urge the Water and Power Sub Committee and the agricultural community to work with us towards real solutions for both the farmers and the fish.