

Testimony of Geoffrey M. Huntington
Executive Director
Oregon Watershed Enhancement Board
Before
Subcommittee on Oceans, Atmosphere, and Fisheries
Senate Committee on Commerce, Science, and Transportation
May 14, 2002

Thank you Mr. Chairman for the opportunity to present testimony regarding Oregon's efforts to restore endangered salmon and the health of our watersheds generally, and S1825 specifically. I especially want to thank Senator Boxer, Senator Smith, Senator Wyden, and the other cosponsors for introducing this legislation; and Representative Thompson for his success in having the House of Representatives pass HR1157 by such a large majority: 418 to 6. I also thank the members for the willingness they have expressed to have states suggest ways to modify the bill to better accommodate the needs of state and tribal governments participating in the program.

Oregon wishes to address the Subcommittee on four substantive areas: The Oregon Plan for Salmon and Watersheds, Oregon's Investments in Voluntary Restoration Actions, Fiscal and Effectiveness Accountability, and Specific Comments on S1825.

I. The Oregon Plan for Salmon and Watersheds

Oregon's efforts to recover listed anadromous fish runs is guided by a unique blend of efforts integrated to deliver a single mission:

"To restore our native fish populations – and the aquatic systems that support them – to productive and sustainable levels that will provide substantial environmental, cultural, and economic values to Oregonians."

The Oregon Plan has four components: coordinated delivery of agency programs promoting improved habitat, water quality, and riparian functions; funding of local and private watershed restoration actions undertaken voluntarily; monitoring the effectiveness of recovery and restoration efforts; and independent scientific review and oversight. The plan has been institutionalized in statute, executive order, agency regulations, and dedicated state funding necessary to sustain voluntary restoration and habitat improvement efforts by landowners.

While the Oregon Plan is built on a foundation of existing federal and state laws, the backbone of Oregon's recovery efforts is the State's local citizen efforts to restore habitat and improve water quality through watershed councils and soil and water conservation districts. There will be no recovery of native salmon stocks without the active (and voluntary) participation of landowners who control more than 60 percent of the freshwater habitat of coho salmon runs.

Successful recovery will be accomplished only by investing in watershed enhancements on these private lands that comprise mile after mile of critical stream reaches throughout the state.

Currently, Oregon has a network of over 90 local councils and 45 districts comprised of landowners, local conservation groups, private companies with land holdings, and state and federal agencies – most operating by consensus to encourage, support, and implement voluntary habitat restoration projects on private lands in their local watershed. This restoration infrastructure which is now thriving was established for a variety of reasons, not simply because of the listing of a dozen salmon stocks under the federal ESA involving over 75 percent of the land area of the state. Local groups are implementing a multitude of projects including assessments of watershed conditions, fencing and planting stream banks for vegetation recovery, replacing road culverts that block fish passage, eliminating roads or resurfacing roads to eliminate sediment delivery to streams, placing large wood and boulders in streams to enhance habitat, modifying inefficient (and often unscreened) irrigation systems in order to return water for instream flows, and encouraging new agricultural land management practices to improve water quality.

In all, these efforts are changing the outlook for recovering dwindling fish runs by improving riparian habitat conditions beyond that which is needed for individual landowners to simply avoid “take” under the federal ESA. The work is slow however, because the accomplishments occur stream mile by stream mile in every tributary that is key to survival of the wild salmon; and stable funding is critical to sustaining progress.

II. Oregon’s Investments in Voluntary Restoration Efforts

Oregon has been promoting and funding voluntary restoration activities for more than 14 years. OWEB currently administers \$24 million in active watershed restoration grants implementing over 340 projects and activities around the state. OWEB is responsible for investing up to \$15 million annually from State lottery funds constitutionally dedicated to watershed and salmon habitat improvement, along with other private and federal funds administered by the agency. From June 1, 2000, to December 31, 2001, OWEB received \$24 million appropriation to the State of Oregon by Congress from the Pacific Coastal Salmon Recovery Fund. These funds have been administered by OWEB in tandem with the state funds using established eligibility criteria and funding mechanisms currently in place.

OWEB’s investment of public funds in watershed restoration efforts is guided by a 17 member board comprised of a representative from each of the state’s natural resources commissions, Native American tribes, five federal agencies, the land grant university extension service, and five distinguished citizens from different parts of the state. Criteria for assessing proposals and awarding funds are established by rule, and are applied by regional teams comprised of state and federal natural resource field staff with first hand knowledge of local conditions. These teams use their collective expertise to review grant applications and make funding recommendations to the OWEB Board. Virtually any person or entity owning land, local council, private non-profit, or governmental entity may seek funding for restoration activities that

will improve habitat or watershed health generally; and OWEB considers nearly 500 such requests annually.

Limitations on the use of dedicated State lottery funds require the majority of OWEB's state funds to be spent on on-the-ground watershed enhancement projects and acquisitions. Federal Pacific Coastal Salmon Recovery Fund dollars provide important flexibility enabling the OWEB Board to support watershed councils, watershed assessments, technical assistance for project design, effectiveness monitoring, and education and outreach projects – all of which are essential to achieving restoration of salmon and watershed health. By seamlessly integrating use of the federal Pacific Coastal Salmon Recovery Fund program dollars into Oregon's existing infrastructure that invests in voluntary salmon recovery and watershed enhancement efforts, OWEB is able to substantially enhance the effectiveness of the Oregon Plan for Salmon and Watersheds.

Attached to this testimony is Oregon's recent progress report on expenditures of Pacific Coastal Salmon Recovery Fund awarded from June 1, 2000, to December 31, 2001. This report was provided to the National Marine Fisheries Service in April 2002, to document Oregon's investments of state and federal funds by project categories. The attached report summarizes those investments. A complete report with attachments that itemize all of the individual investments made by the State of Oregon during the reporting period has been provided to subcommittee staff to be made available to the members. The attachments to the full report provide thumbnail summaries of the 538 ongoing and completed projects for this reporting period, making it easy to see the breadth and scope of Oregon's restoration investments.

III. Fiscal and Effectiveness Accountability

A. Fiscal Accountability

An independent audit of OWEB's fiscal controls, grant award criteria, and grant management program completed in March, 2000 found the program has in place appropriate financial controls and grant review criteria to ensure accountability for use of public funds. OWEB and the National Marine Fisheries Service have an agreement in place governing expenditure of current and any future money distributed from the Pacific Coastal Salmon Recovery Program. That agreement ensures that the federal funds will be administered for activities supporting recovery of the listed anadromous salmon using OWEB's existing project funding criteria established in state statute and rule. This means that the federal funds are being used for the same types of voluntary restoration projects and watershed assessment and monitoring work that the Board is currently investing in; and with same emphasis on fiscal accountability.

B. Effectiveness Accountability

Oregon has established a three-prong approach to ensure accountability for the effectiveness of investments in restoring watersheds and recovering salmon habitat. First, by emphasizing strong peer science and technical review of all applications seeking investment of restoration funds from OWEB. Second, by implementing a monitoring program designed to assess the effectiveness of Oregon's restoration and recovery efforts. Third, by providing programmatic oversight of all Oregon Plan for Salmon and Watersheds activities

by an independent science team so that principles of adaptive management can be used to adjust and modify Oregon's approach to recovery and restoration over time.

1. Peer Review of Project Applications

All grant applications seeking OWEB funds receive three kinds of peer review in addition to fiscal controls on expenditures. First, a technical multi-discipline team of 12-15 people reviews each proposal. This team evaluates the proposal and determines whether the proposed site, objective, and technology are sound and well suited to accomplish the identified restoration objectives. If one element does not work with the other, modifications are proposed or the project application is recommended for denial.

Second, the technical team forwards its recommendations to the 17-member OWEB Board, which meets formally four times a year to award restoration project grants. As set forth above, five citizens, one tribal representative, five state and five federal resource and regulatory agency representatives, and a University Extension Service representative compose the Board. As a result, grants must address environmental priorities, and each receives a high level interagency review and coordination, with the state and federal agency representatives providing technical input and advice on project sufficiency to the voting members of the Board.

Third, Oregon's independent science panel retains oversight responsibility for the overall program, including award criteria, to ensure sound science is the basis for program implementation. Other functions of this science panel are addressed in this testimony in Section III below.

2. Project and Programmatic Monitoring

OWEB is charged with developing a comprehensive system for the collection, management, and reporting of natural resources information in Oregon. This includes monitoring the long-term effectiveness of restoration and recovery efforts. OWEB is carrying out this legislative directive with the collaboration of state and federal agencies, universities, and local entities to implement a suite of monitoring activities that will identify whether restoration actions are adequately addressing key habitat issues and whether investments in recovery and restoration are having the desired cumulative effect.

Already, implementation monitoring is being done by local groups and state agencies to ensure that individual restoration projects are performing as anticipated. State and federal agencies have also initiated effectiveness monitoring programs in all coastal basins to learn how our restoration efforts are affecting species and associated habitat on a watershed scale. OWEB oversees an interagency monitoring team which coordinates federal and state monitoring of water quality, species, and stream, estuarine, and upland conditions.

Within the last six months, Oregon has established the foundation for an institutionalized statewide monitoring program aimed at providing a comprehensive picture of Oregon's watersheds and specie recovery efforts. Building this collaborative statewide program has been made possible both by the Oregon Governor's and Legislature's recognition

of the importance of pursuing this task, and by Congress's support for the Pacific Coastal Salmon Recovery Fund. The combination of state and federal support for effectiveness monitoring will provide federal, state, and local decisionmakers with long-term, reliable information on recovery trends and progress toward ultimate restoration objectives that has not historically been available.

3. Science Panel Oversight

When the Oregon Plan for Salmon and Watersheds was first established, a science team was created to advise the State on all matters of science related to implementation of the plan and the effectiveness of efforts aimed at restoring native fish populations and the health of Oregon's watersheds. This science panel (called the Independent Multidisciplinary Science Team) also reflects key provisions of a Memorandum of Agreement between the State of Oregon and the National Marine Fisheries Service. As part of its responsibilities, this panel has the capacity to review OWEB's grant program as well as the adequacy and appropriateness of the monitoring efforts discussed above to ensure that funding decisions and long-term assessments of progress continue to be based on sound science.

IV. Comments Specific to S1825

A. Peer Review Provisions

Section 4 of S1825 establishes a peer review process modeled upon that of the Northwest Power Planning Council. That peer review process evolved from and reflects the Council's unique needs, in which members representing the four states became responsible for reviewing and approving projects submitted by their colleagues. This is an effective model for the Council and could usefully serve as a default process for states that do not have a peer review process for their restoration projects. However, it is not as effective as scientific review processes like Oregon's and Washington's that are tailored to ensuring accountability while also addressing the realities of implementing locally sponsored restoration projects. For this reason, Oregon suggests that Section 4 be amended to allow a state to use a scientific review process that is mandated in state statute and regulations in lieu of a federally imposed process.

B. Annual Spending Plan Provisions

On first reading, Section 3's requirement of an annual spending plan makes good sense. However, upon reflection the provision inadvertently reverses the community based process that has guided and been at the heart of watershed restoration programs in Oregon from their inception. The provision creates a process in which a federal administrator would/could set the priorities for local watershed councils. Oregon recommends that subsection 3(a) be dropped and replaced with an annual report of expenditures to insure continued accountability. It appears that this could be accomplished with amendments to current language in Section 7 of the bill.

C. Conservation and Salmon Restoration Plan Provisions:

Where a state has through statute or regulation established a comprehensive plan for restoring watersheds and promoting the recovery of listed fish stocks, that plan should be accepted by the National Marine Fisheries Service after expedited review. Perhaps the most valuable lesson learned from the current efforts to protect and restore native salmonids in the Northwest is that it is critical to honor different approaches in different areas as the most appropriate vehicle to promote recovery of listed stocks. Restoring watersheds and enhancing critical fish habitat occurs stream mile by stream mile and watershed by watershed using a variety of different approaches. Bill provisions mandating a conservation and salmon restoration plan must honor this premise or risk impeding state and local efforts to accomplish the most effective restoration activities in a manner that can be accepted and sustained by landowners and communities in every part of Oregon and the Northwest.

D. Need for Continued Program Authorization Provisions

Current authorization ends after federal fiscal year 2003 giving rise to the need to extend authorization for another five years as this bill does. The State of Oregon also supports this bill's expansion of the program to include the State of Idaho with the stated adjustments increasing the total authorization levels, and for equal share among participants in the program. If time runs out, however, and Congress is unable to complete work on this bill or HR1157, then there is a real need to increase the appropriation level for federal fiscal year 2003 to accommodate Idaho without adversely impacting current participants in the program.

Attachment

State of Oregon Progress Report on Expenditures of Pacific Coastal Salmon Recovery Funds Awarded from June 1, 2000 to December 31, 2001 (without attachments) April 5, 2002