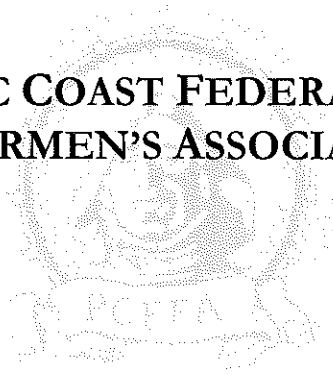


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**STATEMENT BY THE PACIFIC COAST FEDERATION OF
FISHERMEN'S ASSOCIATIONS (PCFFA)**

TO THE

**OREGON SENATE COMMITTEE ON ENVIRONMENT
AND NATURAL RESOURCES**

**In Support of S.B. 838 and S.B. 401
(Suction Dredging Bills)**

April 15, 2013

The Pacific Coast Federation of Fishermen's Associations (PCFFA) is the West Coast's largest commercial fishing industry trade association, representing the interests of family-owned, commercial seafood harvest operations coastwide. We are organized as a federation of 15 different coastal fishing port associations, vessel owners' associations and port-based seafood marketing associations. The collective membership of all these PCFFA-affiliated member groups is about 1,000 commercial fishing family businesses working in every U.S. West Coast port, and in every commercial fishery. Our members' collective net business investment in those fisheries is well over \$100 million, employing thousands of people.

The majority of our West Coast commercial fishing industry fleet still participates in its once-abundant ocean commercial salmon fisheries. These salmon runs, in turn, depend upon

maintaining healthy and biologically productive river systems for their existence. Salmon hatch from eggs laid in freshwater streams, and are thus at their most vulnerable life stage within Oregon's small inland streams. Unfortunately, those are in many cases precisely the streams most heavily targeted in Oregon by suction dredge miners. At present – due in large part to the ongoing suction dredge moratorium in California, but also to the recent high price of gold – there are nearly twice as many suction dredge miners working in Oregon (about 1,700) than typically occurred in the past. This means proportionally greater impacts on fragile coastal streams.

Anything that jeopardizes the regions' valuable salmon runs, or decreases salmon survival rates generally within their native rivers, ultimately costs our industry jobs and dollars by depleting our allowable harvest. Suction dredging is one of those negative impacts.

Adverse Impacts of Suction Dredging Are Well-Documented and Can Cumulatively Be Extensive

It is an article of faith among suction dredgers that their operations, as they often repeat: “do not harm fish in any way.” Frankly, this is a fabrication intended to support widespread denial.

Suction dredge operations can and do interfere with, and in some cases destroy, salmon egg nests (“redds”). Suction dredges can disrupt river ecosystems in multiple way, as noted in a recent report to the Oregon Legislature by the Oregon Chapter of the American Fisheries Society, *Effects of Suction Dredge Mining on Oregon Fishes and Aquatic Habitats* (April, 2013). For brevity, that Report – which includes references to extensive studies and scientific bibliographies documenting those multiple and extensive adverse impacts – is attached.

Of particular concern is the fact that suction dredges frequently exhume elemental mercury now safely trapped under many feet of clay-based river sediments, and which are then released back into the environment in the form of small droplets. Even if a large portion of this elemental mercury is then collected by the operator as many claim, such collections are never 100%. The remainder is then dispersed back into the river where it is once again exposed to chemical processes that can “methylate” mercury to convert it into the most toxic family of mercury compounds known. These methylmercury compounds are water soluble, enter urban water systems, bio-accumulate in fish that are part of the human food chain, *and are deadly human neurotoxins*. Unborn and small children are at particular risk of neurological damage from even very small amounts of these virulent mercury-based toxins.

While one dredge operation may have small individual impacts on aquatic life, of particular concern is the cumulative impact of the heavy concentration of multiple suction dredge operations in fragile coastal salmon spawning areas that we have been recently seeing. *These negative impacts are both cumulative as well as synergistic.*

The Most Fragile Coastal Watersheds Should be Off Limits

Many of Oregon's once-abundant salmon runs are now just beginning to recover from near-extinction. Several of these coastal salmon runs (such as the Oregon coastal coho) are now federally listed as either endangered or threatened species under the Federal Endangered Species Act (ESA). Tens of millions of dollars in taxpayer and landowner money and years of effort has already gone into repairing Oregon's many damaged coastal salmon watershed, through such programs as the *Oregon Plan for Salmon and Watersheds* and through the Oregon Watershed Enhancement Board (OWEB).

It makes little policy sense, and worse economics, for the State of Oregon to allow widespread and highly invasive suction dredge operations in coastal rivers that are simultaneously being rehabilitated at great public and private expense. At best, this amounts to the government working at cross-purposes with itself, essentially undoing the work it has already done toward that river restoration.

Oregon's Suction Dredge Program Cannot Even Pay for Itself

At present, the Oregon suction dredge permit program is almost certainly running at a net loss to the State -- or would be, if in fact it paid for any systematic program of monitoring or enforcement. To give some examples of the true costs of such programs, looking to the California suction dredge permitting program prior to the current moratorium, the whole California program, according to records from the California Department of Fish & Wildlife, cost the state approximately \$1.8 million. However, the permit application fees collected from some 3,000 permittees generated only about \$300,000 annually. In other words, the true costs of this program (i.e., including monitoring and enforcement) was really about $\$1.8 \text{ million} \div 3,000 \text{ permits} =$ or about \$600/permit. *This meant that the program was being subsidized by the State of California taxpayers by about \$1.5 million/year.* This lack of fiscal solvency was one major reason the California Legislature imposed the current moratorium, and a Legislative precondition for resumption of the California program is that any future program must at least pay for its own costs, including monitoring and enforcement.

Assuming the same costs for a comparable Oregon program (i.e., about \$600/permit) x approximately 1,700 current permits, an appropriate level of program costs that would have to be incurred by the State of Oregon would be $\$600/\text{permit} \times 1,700 \text{ permits} =$ about \$1.02 million. Yet at the current statutory permit fee prices of only \$25/year or \$100/5-year renewal, this Oregon program only generates roughly (i.e., $\$25/\text{year-permit} \times 1700 \text{ permits}$) \$42,500/year, or approximately \$50,000 including the one-time \$300 application fee -- *and is therefore similarly insolvent.*¹ In other words, this program, which damages Oregon's watersheds and its other river-dependent industries, is heavily taxpayer subsidized. In a time when schools are being

¹ These are rough estimates only for purposes of illustration. More precise cost numbers should be obtained from the agency itself. It should also be noted that an annual renewal fee of \$25/year can be kept so small only because the agency has nearly zero enforcement or monitoring in association with the current program.

defunded, many government services are being terminated and the state cannot even maintain an adequate police force, this makes no economic or policy sense at all.

RECOMMENDATIONS

- (1) The suction dredge program should be put into an indefinite moratorium until the program can be thoroughly reviewed and an improved set of “best management practices” as well as an adequate monitoring and enforcement program, together with appropriate stream exclusions, can be formally adopted to minimize future harms.
- (2) I note that stream segments that are already designated as “scenic waterways” are already excluded from suction dredge permits. However, those designated scenic waterways today only include about 1/3rd of 1% of Oregon’s total streams.² Additional stream segments that should be withdrawn (i.e., excluded) from the suction dredge program include those: (a) in which there are known mercury or other toxic heavy metal contaminations, or in which there are likely to be such contaminants due to geology or past mining history; (b) in designated critical habitat for federal ESA-listed endangered or threatened aquatic species, or in which there are state listed “sensitive species” or “species of concern”; (c) in stream segments already Clean Water Act 303(d) listed as “water quality limited” for sediment, temperature, toxic metals or other water quality conditions that could be exacerbated by suction dredge operations; (d) stream segments up to 5 miles hydrologically upstream of a public domestic water supply intake system.
- (3) The fee scale for the program should be structured so as to pay for itself, including its own monitoring and enforcement programs. Adequate monitoring and enforcement against illegal uses are essential to best management practices being fully implemented.
- (4) We generally endorse and support the other recommendations made by the Oregon AFS in its April 2013 Report to the Legislature as attached.

To that end, PCFFA supports both Senate Bill 838 and Senate Bill 401, both of which would help remedy and prevent some of those conflicts, and would limit the adverse impacts of suction dredging generally on our salmon runs, our salmon-dependent coastal communities, and the state’s economically important fishing industry jobs.

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PCFFA-StatementORSuctionDredgeBills(04-15-13)

² SB 401 is currently proposing to add an additional 0.25% of Oregon's most critical streams and rivers to the State Scenic Waterway system. There are currently approximately 0.33% of Oregon's streams and rivers in the system. Thus if SB 401 is passed, less than 1% of Oregon's waterways will be so designated. This is based on an estimate of about 291,000 stream-miles in Oregon, from the United States Geological Survey National Hydrography Dataset data from <http://nhd.usgs.gov/data.html>, as viewed 4/13/13.