UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
525 NE Oregon Street
PORTLAND, OREGON 97232-2737

OCT 2 2003

Daniel Diggs
U.S. Fish and Wildlife Service
911 NE 11th Ave
Portland, Oregon 97232

Dear Mr. Diggs:

Enclosed is permit 1396, issued by the National Marine Fisheries Service (NMFS) to the U.S. Fish and Wildlife Service (USFWS) under the authority of Section 10(a)(1)(A) of the Endangered Species Act (ESA). Permit 1396 authorizes annual take of adult and juvenile, endangered, upper Columbia River (UCR) spring chinook salmon and endangered UCR steelhead through egg or fry transfers, hatchery operations, juvenile fish releases, and monitoring activities associated with an UCR steelhead artificial propagation enhancement program in the Methow River. The USFWS, in carrying out the program authorized by this permit, will be considered to have accepted the terms and conditions of the permit and must be prepared to comply with the provisions of the permit, the applicable regulations, and the ESA.

NMFS requires that the USFWS, and the individuals acting under the authority of permit 1396, review the permit prior to engaging in the artificial propagation program activities and comply with the permit while engaging in such activities. The original permit and file copy of the signature page are enclosed (see Section E of the permit). Please sign and date both, and return the signature page marked "E. Signatures - File Copy Return to NMFS" to our office. Please note that permit 1396 is not valid until our office receives the signed copy of the signature page from the USFWS. You may submit the copy by facsimile to (503) 872-2737.

Your attention is directed to Section C, which describes reporting and authorization requirements. Permit 1396 is subject to annual re-authorization based on your reported direct and incidental take per annual period and your compliance with the terms and conditions of the permit. Annual re-authorization will be effectuated by timely submittal, and NMFS' review and approval of, the required reports.

As a permit holder, your agency is required to report the projected juvenile steelhead release for each coming year by December 15th, and provide hatchery brood reports summarizing permitted program activities conducted within the hatchery environment relating to a brood cohort, and associated ESA-listed fish takes for the cohort from juvenile releases. This report is due on January 31st the year following release. Permit 1396 expires five years from the date of signature by NMFS.

If you have any questions concerning the permit, please contact Kristine Petersen, of the Salmon Recovery Division, at (503) 230-5409.

Sincerely,

D. Robert Lohn
Regional Administrator

Enclosure

NATIONAL MARINE FISHERIES SERVICE
SECTION 10(a)(1)(A) PERMIT FOR TAKES OF
ENDANGERED/THREATENED SPECIES

Permit Number: 1396
Permit Type: Direct Take (artificial propagation to enhance ESA-listed steelhead)
Expiration Date: October 2, 2008

Permit Holder:
U.S. Fish and Wildlife Service
911 NE 11th Ave
Portland, Oregon 97232

Contact:
Dave Carie
Phone: (509) 548-7573
Fax: (509) 548-5743
David_Carie@r1.fws.gov

Authorization:
The U.S. Fish and Wildlife Service (USFWS) is hereby authorized to take endangered upper Columbia River (UCR) steelhead (*Oncorhynchus mykiss*) and endangered UCR spring chinook salmon (*O. tshawytscha*) as a result of an artificial propagation program for the enhancement of UCR steelhead in the Methow River, as cited in the USFWS Habitat and Genetic Management Plan (HGMP), subject to the provisions of Section 10(a)(1)(A) of the Endangered Species Act of 1973 (16 U.S.C. §§ 1531-1543), the National Marine Fisheries Service (NMFS) regulations governing ESA-listed species permits (50 CFR Parts 222-226), and the conditions hereinafter set forth.

Abstract:
This permit authorizes the USFWS annual take of ESA-listed adult and juvenile, endangered, naturally produced and artificially propagated, UCR steelhead and UCR spring chinook salmon associated with the implementation of an UCR steelhead artificial propagation enhancement program in the Methow River. The program is intended to supplement naturally spawning UCR steelhead production in the Methow River and potentially provide harvest opportunity.

The artificial propagation enhancement program exist to mitigate for lost steelhead, or lost steelhead productivity, resulting from the construction and operation of Grand Coulee Dam on the mainstem Columbia River. The programs will lead to intentional take to enhance the

incidental take of rearing and emigrating juvenile UCR spring chinook salmon and steelhead resulting from the release of artificially propagated steelhead juveniles into the natural environment. Limitations on the number, life stage, size, and location of juvenile steelhead releases are applied. Additionally, operational guidelines are provided to minimize the risks of disease transmission, water quality impairment, and fish loss through hatchery facility intake screening or water withdrawals to minimize risks to listed fish. Propagated steelhead survival and straying levels will be monitored through externally marking hatchery fish, and/or through internal coded wire or passive integrated transponder (PIT) tagging of a representative proportion of annual juvenile fish releases. Monitoring of the artificial propagation program in the hatchery facility is mandatory. Reporting requirements are included in the permit conditions.

Steelhead artificial propagation enhancement program activities will include:

- Obtaining eggs or fry UCR steelhead from the Washington Department of Fish and Wildlife's Wells Hatchery;

- The incubation and propagation from the fertilized egg through the fingerling, pre-smolt or smolt life stage at the Winthrop National Fish Hatchery (NFH);

- The release of juvenile steelhead into the Methow River.

This permit also authorizes the Permit Holders annual incidental take of listed UCR spring chinook salmon during the same activities.

A. Take Description and Levels

This permit is for activities to be conducted over a period of approximately five years. Annual takes listed below are subject to the annual authorization process (see Section C - Reports and Annual Authorization Requirements) during the period that this permit is valid.

Permit Holder means any any employee, contractor, or agent of any of the permit holder.

The Permit Holders must ensure that listed species are taken only at the levels, by the means, in the areas, and for the purposed stated in the permit applications, and according to the terms and conditions in this permit.

Intentional Take

1. The USFWS may receive up to 125,000 eggs from the WDFW as authorized in permit 1395.

2. The USFWS shall limit annual production of steelhead for release into the Methow River to not exceed a total of 100,000 juveniles at approximately 6 fish per pound released in April or May.

Incidental Take

Incidental takes of UCR spring chinook salmon associated with hatchery operations, and juvenile fish releases from the program, are authorized. Because of the inherent biological attributes of aquatic species such as salmon and steelhead, the dimensions and variability of the Columbia River system and tributaries, and the operational complexities of artificial propagation program actions, determining precise numerical incidental take levels of ESA-listed species attributable to the hatchery activities are not possible at present. The existence of concurrent USFWS artificial propagation programs for spring chinook salmon at the same facility further complicate the ability to identify incidental takes occurring specifically through the UCR steelhead program.

In the absence of quantitative estimates of incidental take, NMFS will monitor fish release numbers/locations and limit hatchery operational practices, and fish release practices as reported by the USFWS and other sources to ensure that incidental takes do not operate to the disadvantage of ESA-listed species. If NMFS determines that incidental takes due to the artificial propagation activities have the potential to operate to the disadvantage of ESA-listed species, the USFWS must suspend those activities that result in the incidental takes until a reasonable solution is achieved, this permit is amended, and/or the programs are reevaluated under Section 7 of the ESA.

B. Program Management and Operating Conditions

The following conditions address program management, fish handling, hatchery facility operations and monitoring activities.

1. The USFWS are responsible for the actions of any individual operating under the authority of this permit. Such actions include capturing, handling, releasing, transporting, maintaining, and caring for any ESA-listed species authorized to be taken by this permit.

2. The USFWS must ensure that all ESA-listed species are handled carefully. Should NMFS determine that a procedure provided for under this permit is no longer acceptable, the USFWS must immediately cease such activity until an acceptable substitute procedure is identified and approved by NMFS.

3. Measures shall be applied to ensure that artificially propagated UCR steelhead juveniles released will be ready to actively migrate to the ocean. To meet this condition, fish must be released at a uniform size and state of smoltification that ensures that the fish will migrate seaward without delay after release. Variance from this smolts-only release requirement shall only be allowed in the event of an emergency, such as flooding, water loss to raceways, or vandalism, that necessitates early release of ESA-listed steelhead to prevent catastrophic mortality. Any emergency steelhead releases shall be reported immediately to the NMFS Salmon Recovery Division in Portland.

4. The USFWS must allow any NMFS employee or representative to accompany field personnel while they conduct authorized activities.

5. The USFWS are responsible for obtaining all other federal, state, and local permits/authorizations needed for the proposed activities.

6. Each ESA-listed fish handled out-of-water for the purpose of recording biological information must be anesthetized. Anesthetized fish must be allowed to recover (e.g., in a recovery tank) before being released. Fish that are simply counted must remain in water but do not need to be anesthetized.

7. ESA-listed fish must be handled with extreme care and kept in water to the maximum extent possible during sampling and processing procedures. Adequate circulation and replenishment of water in holding units is required. When using methods that capture a mix of species, ESA-listed fish must be processed first. The transfer of ESA-listed fish must be conducted using equipment that holds water during transfer.

8. The USFWS shall ensure that water intakes into artificial propagation facilities be properly screened in compliance with 1995 NMFS screening criteria and as per the 1996 addendum to those criteria (NMFS 1996). As an alternative, they shall comply with transitional criteria set forth by NMFS in 1999 for juvenile fish screens constructed prior to the establishment of the 1995 criteria (NMFS 1996), to minimize risks to listed salmon and steelhead. The USFWS shall inspect and monitor the water intake screen structures at their hatchery facilities to determine if listed salmon and steelhead are being drawn into the facility; the results of this monitoring shall be included in annual reports.

9. The USFWS shall implement the "Salmonid Disease Control Policy of the Fisheries Co-managers of Washington State" (NWIFC and WDFW 1998) and Pacific Northwest Fish Health Protection Committee (PNFHPC 1989) guidelines to minimize the risk of fish disease amplification and transfer, and to ensure that artificially propagated fish would be released in good health.

10. The USFWS shall conduct hatchery operations and monitor hatchery effluent in compliance with applicable National Pollutant Discharge Elimination System (NPDES) (EPA 1999) permit limitations.

11. In the event that circumstances, such as unanticipated, higher-than-expected fecundity, or high egg-to-fry survival rates, lead to the inadvertent possession of steelhead substantially in excess (>110 %) of program production levels specified above, then surplus eggs or fish shall be culled from the population in a manner consistent with achieving program goals.

12. The USFWS are responsible for any biological samples collected from listed species, which shall only occur if they are valuable for research purposes. The USFWS may not transfer biological samples to anyone not listed in the application without prior written

approval from NMFS.

13. The USFWS must coordinate with other co-managers and researchers to ensure that no unnecessary duplication and/or adverse cumulative effects occur as a result of the USFWS activities.

14. All artificially propagated UCR steelhead juveniles shall be externally marked (i.e., visual implant elastomer tag or adipose fin clipped) prior to release.

15. Artificially propagated UCR steelhead juveniles may be internally tagged (e.g., CWT, PIT tag) prior to release to allow monitoring and evaluation of fish performance and contribution rates, including straying levels to natural spawning areas and to other hatcheries.

C. Reports and Annual Authorization

NMFS contact for all reports:

NMFS - Salmon Recovery Division
525 NE Oregon Street, Suite 510
Portland, Oregon 97232
Phone: (503) 230-5407
Fax: (503) 872-2737

1. The USFWS must notify NMFS as soon as possible, but no later than two days after, any authorized level of take is exceeded or if such an event is likely. The USFWS must submit a written report detailing why the authorized take level was exceeded or is likely to be exceeded.

2. The USFWS shall update and provide to NMFS by December 15th of each year, the projected hatchery releases by age class and location for the coming year.

3. The USFWS shall provide annual reports that summarize numbers, pounds, dates, tag/mark information, locations of artificially propagated fish releases, and monitoring and evaluation activities that occur within the hatchery environment. The USFWS shall ensure collection and reporting of the coefficient of variation around the average (target) steelhead release size immediately prior to their liberation from the acclimation sites as an indicator of population size uniformity and smoltification status. Reports shall also include any preliminary analyses of scientific research data, any problems that may have arisen during conduct of the authorized activities, a statement as to whether or not the activities had any unforeseen effects, and steps that have been and will be taken to coordinate the research or monitoring with that of other researchers. Unless otherwise noted in the specific terms and conditions, the reports shall be submitted by January 31st, of the year following release (i.e., brood year 2002, release year 2003, report due January 2004) to NMFS.

4. The USFWS must provide plans for future projects and/or changes in enhancement/research protocols and obtain approval from NMFS prior to implementation of such changes.

5. The USFWS must report the take of any ESA-listed species not included in this permit when it is killed, injured, or collected during the course of enhancement/research activities. Notification should be made as soon as possible, but no later than two days after the unauthorized take. The USFWS must then submit a detailed written report of the non-permitted take. Pending review of these circumstances, NMFS may suspend enhancement/research activities.

D. Penalties and Sanctions

1. The persons actually doing the activity must have a copy of this permit while conducting the authorized activities.

2. The USFWS may not transfer or assign this permit to any other person as defined in Section 3(12) of the ESA. This permit ceases to be in effect if transferred or assigned to any other person without NMFS' authorization.

3. If a permit holder violates any permit term or condition, they will be subject to any and all penalties provided by the ESA.

4. The USFWS, in effectuating the take authorized by this Permit, are considered to have accepted the terms and conditions of this permit and must be prepared to comply with the provisions of this permit, the applicable regulations, and the ESA.

5. The Salmon Recovery Division, NMFS, may amend the provisions of this permit after reasonable notice to the Permit Holder.

6. 50 CFR Section 222.23(d)(8) allows NMFS to charge a reasonable fee to cover the costs of issuing permits under the ESA. The fee for this permit has been waived.

7. Any falsification of annual reports or records pertaining to this permit is a violation of this permit.

8. Under the terms of the regulations, a violation of any of the terms and conditions of this permit will subject the USFWS, and/or any individual who is operating under the authority of this permit, to penalties as provided for in the ESA.

E. Signatures

D. Robert Lohn
Regional Administrator

10/2/03
Date

for Daniel Diggs
Assistant Regional Director of Fisheries
Pacific Region
U.S. Fish and Wildlife Service

10/9/03
Date

F. References

EPA (Environmental Protection Agency). 1999. National Pollutant Discharge Elimination System (NPDES) Permit Program. Available at *http://www.epa.gov/owm/gen2.htm*.

NMFS (National Marine Fisheries Service). 1996. Juvenile fish screen criteria for pump intakes. Available at *http://www.nwr.noaa.gov/1hydrop/pumpcrit1.htm*.

Nordlund, B. 1999. NMFS position regarding screen built prior to current screen criteria. Letter to Dr. Robert Clubb, Public Utility District No.1 of Douglas County. NMFS Hydro Program. Portland, Oregon.

NWIFC (Northwest Indian Fisheries Commission) and WDFW (Washington Department of Fish and Wildlife). 1998. Salmonid disease control policy of the fisheries Co-managers of Washington state. Formally adopted on March 17, 1998. Fish Health Division, Hatcheries Program. Washington Dept. Fish and Wildlife, Olympia, Washington.

PNFHPC (Pacific Northwest Fish Health Protection Committee). 1989. Model comprehensive fish health protection program. 19 pp.