BPA Response to Inspector General's Audit of Hatchery Projects
July 2009

On July 24, 2009, the Inspector General's (IG) office sent a letter report to the Bonneville Power Administration (BPA) summarizing its findings from an audit of hatchery projects that BPA funds as part of its Federal Columbia River Power System mitigation responsibilities. BPA had earlier provided a detailed response to the IG's draft audit report in March 2009.

The final IG report was responsive to many of the issues raised in BPA's March letter. Consequently, this final BPA response is intended primarily to summarize our actions in response to concerns raised by the IG and to briefly address the few areas where our perspectives diverge.

In summary, BPA accepts the letter report's findings and had, in fact, already begun steps that would satisfy the IG's findings prior to the audit. The IG endorsed good business practices that BPA supports and continues to improve through internal management initiatives and process improvements. Among the specific actions being implemented are the following.

Actions taken

- BPA has begun to document and track its approaches for addressing scientific concerns (related to hatchery projects) using the Pisces software. BPA also will capture such documentation in its Taurus Web application, now under development.

- BPA also uses Pisces to tie project milestones and deliverables to contract budgets. Pisces and Taurus offer a transparent system for capturing BPA's project decision history and responses to Northwest Power and Conservation Council (Council) and science reviews. This institutionalizes adaptive management in the project review and funding processes.

- BPA will work with the Council and sponsors to ensure that projects and contracts employ appropriate management principles to guide project scope and contract modifications.

- Several regional hatchery reviews are underway. In response to these reviews and upcoming Endangered Species Act (ESA) section 7 consultations on hatchery operations, BPA is working with regulators, fisheries managers and the Council. The goal is to adopt and employ best management practices to ensure hatchery projects operate using sound scientific principles, clearly defined objectives and outcome-oriented performance measures, and appropriate management plans that deliver cost-effective mitigation.

- BPA agrees that adaptive management should guide funding decisions for ongoing hatchery projects. BPA will work with project sponsors to include appropriate project management plans that address potential future considerations (or critical uncertainties) that may guide project scope or modifications. BPA will target 2011 to finish this action.

Remaining concerns

BPA's remaining concerns with the audit were primarily in the area of hatchery funding decisions and the role of the Independent Science Panel (ISRP) in those decisions. The audit noted that the ISRP, created by Congress,

had reservations about what it perceived as the lack of sound scientific principles and performance measures for certain hatcheries and had recommended ending the projects.

Congress established the ISRP to add scientific rigor to projects funded under the Council's Fish and Wildlife Program. The ISRP reviews fish and wildlife projects proposed to the Council and advises the Council on the scientific aspects of those projects.

BPA gives great weight to the ISRP, but must also be guided by ESA requirements, Council recommendations, BPA's own mandates and other policy considerations. For example, the ISRP was concerned about continued funding of Snake River sockeye safety-net efforts, citing a lack of scientific viability. The Council, however, had recommended that BPA fund the project and NOAA Fisheries had included the project in its Biological Opinion notwithstanding the ISRP's reservations. Consequently, ISRP recommendations are but one factor BPA considers in its mitigation decisions.

In addition, a project's objectives and scope can change over time as a result of lessons learned, so that new information and results need to be taken into account. For example, initially, the sockeye broodstock hatchery project prevented extinction by preserving sockeye genetics. Later, the project tested smolt release strategies. Juvenile production and smolt releases increased in 2006, contributing to a record increase of adult sockeye returns in 2008, a record that again may be broken in 2009.

As noted above, BPA has moved aggressively to clarify performance measures and is taking steps to ensure the hatchery projects it funds address major scientific concerns. While this may not mean the projects will always follow the ISRP's recommendations, BPA will work to ensure that the policy and scientific reasons for the actions taken are documented and explained.

Conclusion

Overall, the audit credited BPA for its plans to enhance its use of adaptive management and other steps to ensure that hatchery projects are based on sound science. BPA agrees with the report on how to improve the scientific integrity, biological effectiveness and cost effectiveness of these and other hatchery projects. BPA appreciates the IG's understanding of the agency's sometimes competing mandates relative to this mitigation work and thanks the auditing staff for its courtesy and professionalism throughout the audit process.