

Annual Report to the House Game and Fisheries Committee
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Pennsylvania Fish and Boat Commission
Reported on behalf of the Commissioners and staff by
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It is my great honor to be here in front of this committee now for the fourth time. Many people would be of the opinion that testifying before a committee of legislators in the harsh spotlight of the public scrutiny would not be exactly a pleasurable experience. The reality for me however is that these annual reports provide me with an opportunity to talk about many of the positive and proactive accomplishments of the agency – things that give me great pride. It's also been my experience that the members of this Committee are extremely dedicated to serving the anglers and boaters of the Commonwealth, as well as all of those who value and appreciate aquatic resources, a mission we collectively embrace.

Each of you has in front of you a packet of materials that contains a number of items, some of which I will refer to this morning, others of which are for your examination later or to be shared with your staff. Much of what I will highlight in the annual report is also available on our web site and will be distributed to all members of the House and Senate. If you have any questions about any of this material please feel free to call me or contact the Commission's Legislative Liaison Gary Moore.

What I'd like to present to you this morning is really just a highlight reel of last years activities and a little window into what we will be doing in 2007, including the major legislative efforts for which we will be asking for your input, guidance, support, and passage. These main topics will include the deployment of the Pennsylvania Automated Licensing System (PALS), the substantial investment in hatchery upgrades, the challenge of access by the public to our waterways, just a note about our new trout season, the continued efforts to work with you and the public to address the very real challenge of engaging our youth in outdoor activities, and a final comment about finances. Of course, this is only a scratching of the surface of our activities. Although we are a very modest agency in terms of staff and budget, we are incredibly active, diverse, and energetic and I can only talk about a few of our many activities in the short time available.

First, let me brief you on the Pennsylvania Automated Licensing Service, known as PALS. You might note that we are doing something a little different here this morning. At the back of the room is the equipment that is now being used as part of PALS and, as some of you have noticed, we are actually selling licenses this morning. I'd like to thank the members of this committee who prior to my arrival recognized the value of a computerized license system. You now are seeing your guidance being implemented.

Some may recall the initial target was to have the system online back on December 1 of last year. Early in the development we recognized, due to the technical and logistical challenges, that this was not possible for our primary contractor, Automated License Systems out of Nashville, TN. As a result we printed and distributed the traditional paper licenses as our backup. That

insurance policy was a smart investment and has given us the flexibility to ensure that our PALS deployment is done properly and with adequate safeguards and testing to ensure that it is a fully operational system.

As of today we have PALS in place with about 60 agents and plan to turn on the 90 K-Mart stores in Pennsylvania by this Friday. It is fair to state that the agents have been very pleased with the system thus far. At that point we will work regionally around the state towards full implementation with our roughly 900 agents. This phased implementation approach has served us well thus far in that it allows us to identify problems while they are still reasonably contained. Depending upon some final technical issues being resolved it is possible that we may be fully deployed by trout season but this is far from certain. Even if unanticipated problems arise, all agents have paper licenses to sell to their customers and every angler with access to a computer connection can buy their license over the internet. Our commitment to the issuing agents and our anglers is simple: if somebody wants to buy a fishing license they will always be able to do so.

There are two issues related to PALS that are important to highlight here. First, the new technology for licenses does not absolve the Commission of the mandated responsibility of collecting anglers' social security number. What it does do is make the entry of this information private, a one time event, and puts it into a secure system.

Second, PALS will make life easier for the people selling licenses, it will be quicker and provide better personal information security for the buyer, and will give the Fish and Boat Commission new tools for tracking, understanding, and communicating with our customers. These advances come with a price tag. The fee that we are currently charged by Automated License Systems is 70 cents per transaction. For most purchases such as a resident license and a trout fishing permit, we are charged 70 cents for each of the two transactions for a total of \$1.40. Based on our current sales volume, that translates into a cost to the agency about \$1.1 million per year. We are asking that you support legislation that will pass this cost on directly to the purchaser. This type of transaction fee has become commonplace in many other areas of commerce and it should be nothing new to the purchaser. Please keep in mind that because of our dependence upon license sales revenues, one way or another, individual anglers and the agency in terms of the services that we provide, need to address these PALS fees. We are simply asking that you allow us to be up front with each purchaser and tell them that the transaction fee that they are paying is exactly what it costs to run the system. Not a cent more or less.

Moving on to the next topic: about a year and a half ago the Commonwealth passed the Growing Greener II initiative and sparked a long overdue investment in natural resources infrastructure. For the PFBC this provided us with funds for some of the much needed repairs to our hatcheries and a few dams.

Of the \$27.5 million made available to the Commission we allocated approximately \$23.5 million for hatcheries and \$4 million for dams. This has allowed us to implement a substantial, but not complete list of projects. For instance, more than \$80 million in total upgrades have been identified within the state hatchery system and nearly as much for the dams that we manage for the Commonwealth. We are addressing some of the most important of those, specifically those that directly affect the quality of the hatchery effluent and the ability to efficiently and

effectively raise fish. For many of our facilities, such as Tylersville, Pleasant Gap, Benner Springs, Huntsdale, and Bellefonte this work is focusing on the implementation of special filters in the effluent stream and engineering that allows us to better manage the flow of this water. In other facilities, such as Linesville and Reynoldsdale, we will be investing in rebuilding raceway systems, some of which are relicts from their original construction in the early 1900s.

To give you an insight into the effect of this let me tell you a little about Tylersville. Located in Clinton County, Tylersville was a former United States Fish and Wildlife Service hatchery that the PFBC has been operating for about 30 years on a \$1/year lease. Congressional legislation for legal transfer of this facility to the Commonwealth was passed last year and will be completed this spring. Using \$1.7 million in Growing Greener II funds, we have installed a new filter system, pumps, and related materials to allow us to greatly improve the treatment of the effluent water. This technology complements improved operational protocols for feeding fish, cleaning raceways, handling waste material, and, in general, better management of the facility. Together these changes should provide substantial and measurable improvements in the quality of Big Fishing Creek – transformations that we expect to see in other hatcheries.

I should note that in addition to being increasingly well-managed and modernized, our trout hatcheries will be producing bigger adult trout – 30% heavier on average – to be stocked starting this year. Keep in mind, though, that because we are limited by our NPDES permits, our DEP hatchery water discharge permits, to about 1.9 million pounds of production, this does mean that we have to produce somewhat fewer fish. But this is a good trade-off. Additionally, we will be opening up the fishing season for these big trout about two weeks earlier in the 18 southeast counties that historically warm sooner in the year. Both of these changes are a direct result of our willingness to ask the public what they want and the good faith effort to implement those changes. It is important to note here that our most recent PCB testing has, once again, found that all trout being raised in our hatchery system conform to the statewide guidance for all recreationally caught sportfish of one meal per week

In the February 2 edition of PA Outdoor News a panel of random sportsmen were asked, “What do you think about the early opener” and the 6 respondents said things like: “My kids will love it because they can go somewhere to fish earlier than normal”. Another angler responded “I like it. Get out early in the year and enjoy some nice days when the weather breaks by saying. A third responded: “I admire the Fish and Boat Commission for trying to make the overall fishing better.”

I fully recognize these questionnaires are not a scientifically valid method for accurately sampling public opinion but I’m pleased by the positive comments supporting this change in our trout season opener. Change, particularly to longstanding traditions, is sometimes viewed with a healthy degree of suspicion. And while it’s far too soon to proclaim these alterations in trout management an unqualified success, early signs are positive.

Speaking of early signs, it has been noted many times that the involvement of youth in outdoor resource based activities such as hunting, fishing, camping, and hiking is declining. It seems that traditional outdoor activities are simply not engaging youth in the right ways. We don’t have the organized activities in the schools, in some cases teaching methods are antiquated, we don’t have

enough family activities that offer well structured programs for parents and kids, and we're not nearly as visible in the cities as we should be through programs in Boys and Girls Clubs, Police Athletic Leagues, and many other partners. The Governor's Youth Council and the Advisory Council on Hunting, Fishing and Conservation recognizes this, PA Trout Unlimited recognizes this, the PA Conservation District Association recognizes this, the Parks and PA Recreation Society recognizes this, and an increasing number of clubs, schools, and groups around the commonwealth are saying that it is time that we do more to support such programs.

Last year at this time I told you what some of the initial responses would likely be to a proposal to expand youth fishing education programs. I indicated that while just about everyone recognizes that new approaches are crucial to attracting and retaining young anglers, I also predicted that the notion of funding these efforts with an inexpensive \$5 license for 12-15 year olds would not meet with universal acclaim.

What we found out, though, was that as we addressed far-fetched notions, misinformation and firmly held traditions with facts and proposals for solid programs, and even tested them out through pilot efforts such as our youth grant program, it was clear that understanding, acceptance and support replaced opposition and resistance. In fact, last year our staff made over 600 presentations to groups around the state on this subject. We'll do as many or more this year to ensure that people are informed. We have previously distributed to each of you a DVD containing a short video and in your packets are additional information materials that clearly state the facts and describe some of the programs that would be implemented. I've used the video and handouts many times and I have to tell you that the facts, the programs, and the informative way that they are presented change people's minds.

Proposed at \$5, it will be affordable to nearly everyone. When parents like myself are writing checks, such as this past Sunday a whopping \$95 for soccer, it is clear that \$5 is well within the realm of what most families pay for kids activities. However, we recognize and are asking for the latitude to create exemptions for those who do need to very closely watch their expenses. We will not allow \$5 to be an obstacle for any kid to go fishing. I simply ask that you give this your full consideration. If you are well informed and believe that we cannot ignore the sobering trends that we see among our youth I am sure that you will support this proposal. If you are informed and still believe that there are other routes that we should take I certainly respect your opinion and would greatly appreciate hearing your ideas. However, don't be uninformed and don't let your constituents be uninformed. If you get calls or letters, please tell them to get on our web site or write us for information. If there is a club or civic group that would like to hear about this please contact us and I guarantee that we will have one of our staff work with the group to schedule a presentation.

The message is clear: we simply cannot continue doing the same things with our youth programs and expect different results. We need to move into a new era and this proposal will make that happen.

Let me move on to another challenge and this is the issue of access to the water. The recent decision by the Huntingdon County Court of Common Pleas upholding the navigability of the Little Juniata has served to highlight an increasing trend that we are seeing. Private clubs buying

up the lands bordering high quality streams and the increasing posting of lands are both real threats to public access.

To give you some context you should know a couple of key figures. Private lands border 83% of our stocked trout waters, about 70% of our wild trout waters, and approximately 59% of our class A trout waters. The take home message is clearly that the majority of the better fishing waters are on private land. For example, up in the Lake Erie watershed, most of the access to the steelhead fishery is via private property. This is where the Lake Erie Access Improvement Program fits in. The sale of Erie Stamp brings in about \$600,000 per year, monies that we are legislatively directed to put directly into access. To this date, we have purchased fishing easements or simple acquisitions directly or with the help of state and local government partners on about 2.1 miles of stream. Many more properties are being worked on for easements or purchase and we will see action at each of our commission meetings for quite some time. The challenge, then, is what do we do in the rest of the commonwealth's 66 counties? What mechanism and what funding can we work with?

To this point, we've not been able to do all that much. Through working with some wonderful partners we've been able to transact a minor acquisition here or there but there is no real program. In the next couple of months to a year, our commissioners and staff will be working on putting together some options. Some of these will likely incorporate improvements to our volunteer programs and education of anglers to help make them better guests on private property; other proposals may require your assistance through the development of legislation.

Finally, I'd like to close out with some general observations about agency funding and then two items for which I ask your thoughtful consideration. Through the license increase that took effect in 2005 the Fish and Boat Commission has been placed on a much more financially sound foundation. Our FY 2006 financial report showed that revenues were above expenditures and, because of this and for a limited time, we have been able to rebuild our fish and boat funds. However, about 2/3 of our expenses are personnel related. Contractually stipulated salary increases, health care costs, retirement payouts, and other factors will quickly erode this positive situation. I'd like to leave you with two observations about funding and then I will close my statement.

The first observation is that license and registration fees support some programs in the PFBC that really shouldn't be dependent upon license dollars. Two clear examples of this are, first, the life saving water rescue instruction program that we manage for fireman and emergency response teams throughout the Commonwealth. Our staff with key support of a cadre of dedicated volunteers has trained over 10,000 people in water rescue. Last year alone this program trained 1,590 students through 100 courses. The second clear example is the management of non-game species, which includes the vast majority of all fish, reptiles, amphibians and aquatic invertebrates. Management of these species is part of our mandate and is for the benefit all of the commonwealth's citizens but for which we are appropriated no state funds. I would encourage the members of the legislature and the Governor to be receptive to providing general appropriation funds to the Fish and Boat Commission for programs such as those that provide wide benefits for Pennsylvania's citizenry. It is important to note here that fishing and boating

activities bring in well over \$50 million to the commonwealth in tax revenues but the agency receives no general appropriation funds to handle key aspects of the agencies mandate.

Second, the concept of linking license fees to an inflationary index has been broached in the past and certainly should continue to be part of your discussions. It has become abundantly obvious that the cycle of going a substantial number of years between large fee increases hampers our budgetary effectiveness and also leads to a public reaction that produce sharp declines in license sales such as the 9.5% decline that we saw in 2005. Government is often criticized for not operating like a business. Yet the most fundamental aspect of a business is pricing its product in a manner that is acceptable to the customer and provides for appropriate income. We can currently do neither. I simply and respectfully ask that you consider all of the options and work with us to devise better and more flexible methods of pricing licenses in the future, methods that will keep people fishing and keep the agency and our services appropriately funded for years to come.

Thank you for your time this morning and, in speaking on behalf of staff and Commissioners, I look forward to a very productive and positive year of working with the members of this committee, the state legislature, the Governor, and the anglers and boaters of the Commonwealth.