

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
 A Statement of Need and Fiscal Impact accompanies this form

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ARCHIVES DIVISION
SECRETARY OF STATE

Department of Fish and Wildlife

635

Agency and Division

Administrative Rules Chapter Number

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RULE CAPTIONSalmon Seasons for Commercial and Sport Fisheries In the Pacific Ocean

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
4-21-17	8:00 a.m.	Running Y Ranch 5500 Running Y Road Klamath Falls, OR 97601	Oregon Fish and Wildlife

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

OAR Chapter 635, Divisions 003 and 013 as determined justified.

AMEND:

OAR Chapter 635, Divisions 003 and 013 as determined justified.

REPEAL:

OAR Chapter 635, Divisions 003 and 013 as determined justified.

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.**AMEND AND RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.**Statutory Authority:**

ORS 496.138, 496.146, 506.119 and 506.750 et Seq.

Other Authority:

Magnuson-Stevens Sustainable Fisheries Act.

Statutes Implemented:

ORS 496.162, 506.129 and 506.750 et Seq.

RULE SUMMARY

Amend rules related to commercial and sport salmon fishing in the Pacific Ocean within Oregon State jurisdiction. Housekeeping and technical corrections to the regulations may occur to ensure rule consistency.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

04-21-2017 Close of Hearing	Michelle Tate	michelle.l.tate@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

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STATEMENT OF NEED AND FISCAL IMPACT
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Administrative Rules Chapter Number

Salmon Seasons for Commercial and Sport Fisheries In the Pacific Ocean

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Amendment of OAR Chapter 635, Divisions 003 and 013, related to sport and commercial salmon fishing seasons in the Pacific ocean.

Statutory Authority:

ORS 496.138, 496.146, 506.119 and 506.750 et Seq.

Other Authority:

Magnuson-Stevens Sustainable Fisheries Act.

Statutes Implemented:

ORS 496.162, 506.129 and 506.750 et Seq.

Need for the Rule(s):

These rules are needed to establish commercial and sport salmon seasons in the Pacific Ocean within Oregon State jurisdiction. Seasons are set in a manner that will conserve stocks of salmon and will conform to federal regulations adopted under the Magnuson-Stevens Fishery Conservation and Management Act. Rules are needed to provide orderly salmon fisheries and enhance the ability of the State to enforce regulations necessary for conservation of salmon stocks in conjunction with other regional, state and federal fishery management entities.

Documents Relied Upon, and where they are available:

1. Staff Report for the Oregon Fish and Wildlife Commission hearing on April 21, 2017.

A copy of the rules and the other documents relied upon for this rulemaking [the above document] are available from the Oregon Department of Fish and Wildlife, Fish Division, Second Floor, 4034 Fairview Industrial Drive SE, Salem, Oregon 97302-1142, between the hours of 8:00 a. m. and 4:00 p.m., on normal working days, Monday through Friday.

Fiscal and Economic Impact:

See Attached FIS

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

See Attached FIS

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

See Attached FIS

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

See Attached FIS

c. Equipment, supplies, labor and increased administration required for compliance:

See Attached FIS

How were small businesses involved in the development of this rule?

Many of the persons participating in the Pacific Fishery Management Council (PFMC) process are small businesses and their views were solicited during that process.

Administrative Rule Advisory Committee consulted?: No

If not, why?:

The PFMC has established the Salmon Technical Team, the Salmon Advisory Sub-panel, and the Scientific and Statistical Committee, made up of state, federal and tribal fishery scientists, economists, consumers, sport and commercial fishers, and industry representatives. These committees have reviewed the proposed regulations and provided comment.

04-21-2017 Close of Hearing

Michelle Tate

michelle.l.tate@state.or.us

Last Day (m/d/yyyy) and Time
for public comment

Printed Name

Email Address

**Economic Impact Statement for the April 21, 2017 Hearing
In the Matter of Rules Relating to Commercial and
Sport Salmon Fishing Regulations In the Pacific Ocean and
In Specific Near-Shore Ocean Waters.**

The proposed rules are necessary to implement federal regulations for commercial and sport salmon fishing in state waters of the Pacific Ocean that were adopted by the Pacific Fishery Management Council (PFMC). The regulations are also needed to protect salmon stocks listed as threatened or endangered under the federal Endangered Species Act.

Fiscal and economic impacts discussed in this document pertain only to the proposed rules at the time of the writing of this FIS.

Statement of Cost of Compliance

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The proposed rules will affect state agencies, units of local government, and the public, respectively, as discussed below:

A. State agencies that could be affected by these harvest management rules are the Oregon Department of Fish and Wildlife (ODFW) and the Oregon State Police. No changes from the current levels of these agencies' operations or expenditures are expected as a result of these particular rules. However, revenues associated with the sale of sport fishing licenses, tags, commercial permits and catch fees may change depending on the abundance and availability of salmon to the ocean and Buoy 10 fisheries.

B. Units of local government that could be affected by harvest management rules include Port Authorities and County Governments. Port Authorities may derive revenues from the provision of moorage for sport and commercial fishing and from the provision of facilities for the unloading of catches. We do not have precise information on how much the 2017 harvests and fishing activity will affect the units of local government in a fiscal sense. We are not able to project the magnitude of the fiscal effects, because the data required to link allowable harvests and local government revenues and expenditures are not available.

C. The public is affected by the harvest management rules. Various sectors of the public economy (recreational fishers; commercial harvesters; processors; suppliers of recreational fishers; and the general economy) will experience different impacts. Those impacts cannot be determined at this time, as commercial harvest and recreational effort will depend on multiple factors, such as prices for salmon and other food fish, abundance of returning fish, weather, and as well as the 2017 regulations. At the time this statement was written, the options for allowable levels of harvest and other regulations for the upcoming season had not been determined, but these options will be developed by the PFMC.

Revenues to commercial fishers depend primarily on poundage landed and prices received. In 2016, a total of 517,834 pounds with an ex-vessel value of \$4,261,469 were landed in the commercial salmon troll fishery, excluding a small amount of pink salmon. Of this total, Chinook contributed \$4,261,469 in revenue; Coho were not allowed to be harvested in the ocean

troll fishery. In 2016, there were 946 salmon troll permits issued, of which 316 had landings. Average ex-vessel revenue was approximately \$13,500 per vessel reporting landings.¹

The total (direct, indirect and induced) effects on personal income in the local areas where the sport and commercial fisheries take place are the result of the direct purchases of goods and services made by sport fishers, charter operators, commercial fishers and processors from local suppliers. Through the "multiplier process," there is a resulting increase in economic activity and personal income in the general economy of the area.

The total landings, average ex-vessel price per pound landed, and the coastal community person income impacts for both coho and Chinook salmon are shown in Table 1. These impacts may change depending on 2016 levels of ex-vessel and ex-processor prices.

Table 1. Personal income impact per pound and per fish - commercially harvested ocean salmon (prices in inflation adjusted 2015 dollars)

Year	Species	Landings ('000 of dressed pounds)	Avg ex-vessel price per pound landed	Estimated Coastal community personal income impacts (\$000)
2012	Coho	4	\$2.20	\$10.5
	Chinook	741	\$5.75	\$5,606.5
2013	Coho	2	\$2.56	\$6.0
	Chinook	1,291	\$5.88	\$9,975.0
2014	Coho	67	\$2.00	\$185.0
	Chinook	2,575	\$5.71	\$19,450.0
2015	Coho	40	\$1.88	\$29.0
	Chinook	1,194	\$6.15	\$9,928.0
2016	Coho	0	\$0	\$0
	Chinook	518	\$8.23	\$4,307.0

The economic impact of ocean recreational salmon fishing activity depends primarily on the level of angler activity (i.e., days of recreational fishing) supported by the seasons and allowable harvests provided to the sport fishery, but also on substitute recreation activities and related angler expenditures. The coastal community impact (local area) on personal income per angler day of ocean sport salmon fishing is based on the estimated impact of ocean salmon angler destination expenditures.

Ocean salmon recreational estimates of angler activity were 38,854 angler trips in 2016. This a smaller level of angler activity as compared to the last four years (2015 – 65,500, 2014 - 121,549, 2013 - 86,300, 2012 – 67,300).

Table 2 shows estimates of the total personal income impacts per angler day in the coastal area by recreational user origin and fishing mode. These estimates should be used as the coastal area per unit economic impact per recreational ocean salmon fishing day. In addition to being affected by the total allowable level of sport harvest, the estimate of the aggregate impact on coastal

¹ Data in this paragraph, the next paragraph, and the first column in Table 1 drawn from: Pacific Fisheries Management Council (PFMC), Review of 2014 Ocean Salmon Fisheries: Stock Assessment and Fishery Evaluation Document for the Pacific Coast Salmon Fishery Management Plan. Tables D-5, IV-3, IV-10, IV-12.

personal income will vary depending on the proportion of total trips by charter boats versus private as well as the proportion of coastal resident versus nonresident anglers.

Table 2. Total personal income impacts per angler day by user segment²

<u>User Segment</u>	<u>Average coastal trip expenditure per day</u>	<u>Associated coastal personal income impact</u>
Private boat, coastal resident	\$43.68 (1989\$) \$84.54 (2016\$)	\$27.01 (1989\$) \$52.28 (2016\$)
Private boat, coastal nonresident	\$45.02 (1989\$) \$87.14 (2016\$)	\$33.41 (1989\$) \$64.67 (2016\$)
Charter boat, coastal resident	\$63.86 (1989\$) \$123.60 (2016\$)	\$47.79 (1989\$) \$92.50 (2016\$)
Charter boat, coastal nonresident	\$104.53 (1989\$) \$202.32 (2016\$)	\$84.43 (1989\$) \$163.42 (2016\$)

As mentioned above, at the time this statement was written, the options for allowable levels of harvest and other regulations for the upcoming season had not been determined, but these options will be developed by the PFMC. As a result, the magnitudes of harvest reductions and any changes in positive economic impacts could not be accurately estimated. We do not have sufficient information at this time to describe precisely the magnitude of the expected commercial landings and angler activity, or to predict whether prices received by commercial harvesters will be higher or lower than those received in 2016. Also, information needed to predict possible movement of recreational fishing effort among other marine recreational opportunities is too limited to infer shifts in effort.

Although the rules related to regulations can be viewed as reducing positive economic impacts in the short run, conservation through the regulation of seasons and other factors are intended to perpetuate Oregon's salmon resources at optimal levels in the long run. The regulations are also needed to protect salmon stocks listed as threatened or endangered under the federal Endangered Species Act. Failure to restrict harvests of fish to allow escapement for reproduction would probably result in adverse economic effects in the future. The proposed regulations attempt to strike a balance between present fishing opportunities and future benefits. Therefore, the proposed regulations attempt to provide the best possible fishing opportunities in the present consistent with the requirement to sustain fish population levels and to provide future harvest opportunities for both recreational and commercial fishers.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

The main type of small business subject to the rule are commercial troll salmon fishermen. Of the 946 salmon troll permits issued in Oregon in 2016, 316 of them made landings. Those active fishermen would be most affected by the rules. Wholesale dealers who buy landed ocean salmon would be affected and there were 53 in 2016 (plus 8 limited fish sellers). Other small businesses

² Estimates based on data originally collected from Oregon anglers in 1988 and 1989. See Oregon Angler Survey and Economic Study (1991) by The Research Group, Corvallis, Oregon.

affected would be gas stations, tackle shops, charter boat owners, restaurants/cafes/bars, food stores, and places of lodging (hotels, campgrounds, etc.). Information is not available to estimate to number of those types of small businesses affected.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

No significant changes in these costs are expected for the small businesses subject to the rule.

c. Equipment, supplies, labor and increased administration required for compliance:

No significant changes in these costs are expected for the small businesses subject to the rule.

The rules are believed to be fully compatible with legislative direction on the goals of fish and wildlife management in Oregon.

We do not believe that a less intrusive or less costly alternative adaptation to only small business is consistent with the purpose of the rule.