

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Department of Fish and Wildlife, Fish Division  
Agency and Division

635  
Administrative Rules Chapter Number

In the Matter of: OAR Chapter 635, 2008 Salmon and Sturgeon Fisheries

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

Adopt Commercial and Sport Fishing Seasons for the Pacific Ocean, Estuaries, Columbia River and Tributaries

Statutory Authority: ORS 496.138, 496.146 506.036, 506.119, 506.129 and 506.750, et. Seq.

Other Authority: Magnusson-Stevens Sustainable Fisheries Act.

Stats. Implemented: ORS 496.162, 506.036, 506.109, 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; sport salmon and sturgeon seasons in coastal estuaries; and the Columbia River and its tributaries. Seasons are set in a manner that will conserve stocks of salmon and will conform to federal regulations adopted under the Magnusson-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. Review of 2007 Ocean Salmon Fisheries, Pacific Fisheries Management Council, February 2008.
2. Staff Report for Oregon Fish and Wildlife Commission Meeting of April 18, 2008.
3. Any other documents relating to the 2008 salmon seasons generated by the Pacific Fishery Management Council before the scheduled hearing.

The above documents are available for public inspection in the Department of Fish and Wildlife, Fish Division, Third Floor, 3406 Cherry Avenue NE, Salem, Oregon, between 8:00 a.m. and 4:00 p.m., on normal working days, Monday through Friday.

Fiscal and Economic Impact, including Statement of Cost of Compliance:

See attached.

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

Many of the persons participating in the PFMC process are small businesses and their views are solicited there.

Administrative Rule Advisory Committee consulted?: No.

If not, why?:

The Pacific Fishery Management Council 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, sportsmen and industry representatives. These committees have reviewed the proposed regulations and provided comment. Additionally inland sport salmon and sturgeon regulation proposals were developed by staff working with ODFW regional staff, Oregon State Police and key constituents.

	Lance Thomson	February 14, 2008
Signature	Printed name	Date

**Economic Impact Statement for the April 18, 2008 Hearing  
In the Matter of Rules Relating to Commercial and Sport Salmon Fishing Regulations  
In the Pacific Ocean and Sport Fishing In Specific Near-Shore Ocean Waters,  
Coastal Streams, Columbia River and Tributaries**

Fiscal and economic impact: The proposed rules will affect state agencies, units of local government and the public, respectively, as discussed below. The rules are necessary to implement federal regulations for commercial and sport salmon fishing in waters of the Pacific Ocean that were adopted by the Pacific Fishery Management Council (PFMC) in state waters of the Pacific Ocean. The rules are also necessary for the management of salmon stocks and fisheries in specific near shore areas, coastal streams, the Columbia River and tributaries. The regulations are also needed to protect salmon stocks listed as threatened or endangered under the federal Endangered Species Act.

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. Chinook and Coho salmon fisheries for 2008 are expected to be more restrictive than in 2007. At the time this statement was written the expected harvest levels and the restrictiveness of the associated regulations for the salmon fisheries had not been determined, but were being developed by the PFMC. The options for allowable levels of harvest and other regulations will be developed at the March PFMC meeting. The PFMC will select regulations at its April meeting.

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 2008 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 and predict future outcomes in other than a qualitative sense are not available.

C. The public is affected by 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. Revenues to commercial fishers depend primarily on poundage landed and prices received. In 2007, a total of 565 thousand pounds with a dockside value of \$2.8 million was landed in the commercial salmon troll fishery, excluding a small amount of pink salmon. Of this total, Chinook contributed 464 thousand pounds and \$2.6 million in revenue, and Coho contributed 101 thousand pounds and \$193 thousand in revenue. In 2007 there were 1,009 salmon troll permits issued of which 436 had landings. Average ex-vessel revenue was approximately \$6,500 per vessel reporting landings.

The economic impact of recreational fishing opportunities depends primarily on the number of days of angler effort, substitute recreational activities and related angler expenditures. Ocean salmon recreational estimates of angler activity included 88,100 angler days in 2007 an increase from 62,200 angler days estimated in 2006.

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 fishermen, charter operators, commercial fishermen 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 estimated average total personal income impacts on Oregon coastal communities per pound (dressed weight) of fish and per fish landed for the ocean troll salmon fishery are shown in Table 1. These impacts may change depending on 2008 levels of ex-vessel and ex-processor prices. The estimates of ex-vessel revenue and total personal income impacts give the per unit economic effect respectively on harvesters and the public taken as a whole.

Table 1. Personal income impact per pound and per fish - commercially harvested salmon, 2007

Species	Average Ex-vessel Price and Revenue per Pound Landed	Total Personal Income per Pound Landed (Coastal Area)	Impact per Fish (Coastal Area)
Coho (2007)	\$1.90	\$3.35	\$19.83
Chinook (2007)	\$5.66	\$8.89	\$116.10

The economic impact of ocean recreational salmon fishing activity depends on the level of angler activity (i.e., days of recreational fishing) supported by the seasons and allowable harvests provided to the sport fishery. 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.

Table 2<sup>1</sup> on the following page 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 personal income will change if the proportion of total trips by charter boats versus private boats changes, or if the composition of coastal resident vs. nonresident anglers changes.

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 at the March PFMC meeting. The PFMC will select regulations at the April meeting.

Preliminary indications are that the allowable harvest for the selective ocean recreational fishery for finclipped hatchery Coho south of Cape Falcon will be less than the 2007 quota. North of Cape Falcon Coho seasons and harvests are also expected to be reduced from those in 2007.

Ocean seasons/quotas for Chinook stocks south of Cape Falcon are expected to be even worse than the 2007 season for both the sport and commercial troll fisheries. This pessimistic

<sup>1</sup> 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.

preliminary assessment is made because Federal fishery regulators have recently said California's largest Chinook salmon run in the Sacramento River is suffering an "unprecedented collapse," that appears to be part of a broader decline throughout the West. An internal memo to members of the PFMC said the number of Chinook salmon returning from the Pacific Ocean to spawn in the Sacramento River and its tributaries this past fall dropped 67% from a year earlier. In the commercial and recreational fisheries North of Cape Falcon, 2008 harvest opportunities for Chinook are expected to be somewhat less than in 2007.

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

<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\$) \$66.54 (2007\$)	\$27.01 (1989\$) \$41.15 (2007\$)
Private boat, coastal nonresident	\$45.02 (1989\$) \$68.58 (2007\$)	\$33.41 (1989\$) \$50.90 (2007\$)
Charter boat, coastal resident	\$63.86 (1989\$) \$97.29 (2007\$)	\$47.79 (1989\$) \$72.80 (2007\$)
Charter boat, coastal nonresident	\$104.53 (1989\$) \$159.24 (2007\$)	\$84.43 (1989\$) \$128.62 (2007\$)

Angler opportunities in the Buoy 10 recreational fishery for Chinook and Coho are also expected to be reduced from, or at best, similar to opportunities in 2007. As this statement is written, potential changes to recreational fishing regulations in the lower Columbia and coastal tributaries have not been adopted.

In Oregon, the Rogue River barely hit its goal for fall Chinook in 2007. The Coquille River has seen steadily diminishing returns the past three years; and, the Siletz River saw just 500 fish returning -- less than 20 percent of the goal for returning spawners in 2007.

As a consequence of the generally poorer outlook for the 2008 salmon fisheries, the economic impacts of the 2008 ocean recreational and commercial fisheries are expected to be reduced compared to 2007. However, the magnitudes of harvest reductions and reductions in positive economic impacts could not be accurately estimated at the time this statement was written. We do not have sufficient information at this time to describe precisely the magnitude of the expected decrease in commercial landings and angler activity, or to predict whether prices received by commercial harvesters will be higher or lower than those received in 2007. Also, information needed to predict possible movement of recreational fishing effort among other marine recreational opportunities is too limited to infer shifts in effort.

Under federal regulations, the PFMC is required to estimate and document the expected economic impacts of the proposed regulatory options and the selected options for ocean salmon seasons. The 2008 season analysis will be contained in several documents to be produced in the near future by the PFMC. Those documents are incorporated as part of this statement by reference.

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.

Most businesses affected by these rules are believed to be "small business."

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.