

Secretary of State

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

635

Agency and Division

Administrative Rules Chapter Number

In the Matter of: Amendment of OAR Chapter 635, Division 500, related to the Klamath Basin Anadromous Fish Reintroduction Plan of 2008.

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

Reintroduction of Anadromous Fish to the Oregon Section of the Klamath River.

Statutory Authority: ORS 496.138, 496.146, 506.036, 506.119 and 506.129

Other Authority:

Stats. Implemented: ORS 496.162, 506.109 and 506.129

Need for the Rule(s):

The rules are needed to implement the Klamath Basin Anadromous Fish Reintroduction Plan of 2008.

Documents Relied Upon, and where they are available:

1. Staff report for the Oregon Fish and Wildlife Commission hearing of July 18, 2008.

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 statement.

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

Not applicable.

Administrative Rule Advisory Committee consulted?: No.

If not, why?:

These concepts were developed in a process that involved a public advisory committee which, while not formally a Rule Advisory Committee, functioned as one.

	Lance Thomson	May 15, 2008
Signature	Printed name	Date

**Economic and Fiscal Impact Statement for the June 6, 2008 Hearing
In the Matter of Amendment of Rules Relating to the Reintroduction of
Anadromous Fish to the Oregon Section of the Klamath River**

Fiscal and economic impact: Rule changes are being proposed to introduce anadromous fish into the Klamath River upon the provision of passage through dams that previously had none. The species under consideration for reestablishment are Chinook salmon, Coho salmon, steelhead trout, and lamprey. For Upper Klamath Lake and its tributaries, Chinook salmon will be reintroduced. There will be active reintroduction above Upper Klamath Lake and tributaries and a passive re-colonization below Upper Klamath Lake. These fish will help to stabilize the Klamath runs of Chinook salmon as well as provide additional angling opportunity for these runs while they are in the ocean. This rule change has the potential to open a new recreational fishery in this region. The proposed rules will affect state agencies, units of local government and the public, respectively, as discussed below:

A. The Oregon Department of Fish and Wildlife (ODFW) will be affected by this rule change. Costs will apply to evaluate potential habitat and to reintroduce Chinook salmon into this area of the river. To cover the costs of reintroduction, ODFW has applied for \$53 million in federal funds. This is intended to help defer the costs of habitat surveys, fish transportation, and/or temporary hatchery operations. The fish are being introduced with the goal of eventually establishing naturally producing stocks in this section of the river. As such, there are no provisions for a permanent hatchery in the area. If angling opportunity for spring or fall run Chinook salmon can be established in this area, angler participation could grow. It is difficult to determine the extent of this increase because the reaction of anglers to this opportunity and its effect on license sales is not known at this time. Positive impacts on commercial salmon fishing might also contribute to ad-valorem landing revenues that accrue to the dedicated Commercial Fish Fund as well as poundage revenues that accrue to the Restoration and Enhancement Sub-account.

B. No units of local government are expected to be significantly affected by these rules. No significant changes from the current levels of any local agencies' operations or expenditures are expected as a result of the rule changes.

C. The public is affected by the rules relating to this fish reintroduction. Benefits to anglers, local businesses, and the state economy would result if this additional angling opportunity is made available in this region. As anglers travel to the area, they make expenditures on food, lodging, equipment and travel. The direct and indirect benefits from these expenditures accrue to the state and local economies. Those anglers that travel to the region in response to this new opportunity might make some expenditures at home, in preparation for the trip. Further expenditures would be made en route and at the destination. Through the "multiplier process," there is a resulting increase in economic activity and personal income in the general economy of the area and the entire state.

Research on the economic aspects of angling in this region has been conducted by the Research Group in the 1991 Oregon Angler Survey and Economic Study. The survey measures both the direct expenditures on a day of angling activity in all the regions of the state as well as the personal income that is derived from these expenditures. The survey found that there were no angler days in the southeast region for salmon or steelhead. If the angling opportunity for spring or fall Chinook is extended to this region, it could result in a large benefit to people in this area as they have not had this opportunity locally before. In the southwest region of Oregon, the nearest region to the Klamath, Oregon resident anglers spend \$53.51 per angler day to participate in fishing for salmon in rivers. Similarly, nonresidents of Oregon spend \$42.24 per angler day to participate in river salmon fishing in this region. The reintroduction of salmon to this section of the Klamath

River could result in similar expenditures and angler days depending on the abundance of natural production in the region.

In addition to providing recreational angling opportunity, this reintroduction could help the overall Chinook salmon returns to the Klamath River both in California and in Oregon. The additional stocks of naturally producing wild salmon would help both commercial and tribal fishing operations on the entire Klamath River. The stocks would also help to provide stabilization to ocean Chinook salmon populations and provide commercial and recreational angling opportunity off the coasts of Oregon and California. Ocean salmon populations have been dwindling in recent years, with declining landings and seasonal closures. According to the report "Oregon's Commercial Fishing Industry: Year 2005 and 2006 Review and 2007 Outlook," the stock share of the Klamath production region of the troll Chinook fishery from Humbug Mountain to Horse Mountain is 55%. It is estimated that salmon troll landings in 2005 were worth \$8.57 million in ex vessel value. Landings dropped significantly in the subsequent two years due to poor ocean conditions and declining salmon runs. If stocks in the Klamath River are increased, it will help to mitigate some of these problems and contribute to the preservation of recreational and commercial salmon fishing.

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

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

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.

References

Oregon Angler Survey and Economic Study – Final Report. The Research Group, 1991.

Oregon's Commercial Fishing Industry – Year 2005 and 2006 Review and Year 2007 Outlook. Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc., 2007.