

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, Divisions 004 and 039 to incorporate changes to rules governing sport and commercial halibut and commercial sardine fisheries.

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

Amend Rules for Sport and Commercial Halibut and Commercial Sardine Fisheries.

Statutory Authority: ORS 496.138, 496.162, 506.036, 506.109, 506.119 and 506.129

Other Authority:

Stats. Implemented: ORS 496.162, 506.109 and 506.129

Need for the Rule(s):

These rules are needed to modify Oregon's regulations for sport and commercial halibut and commercial sardine fisheries by adopting regulations concurrent to those adopted federally. These modifications are needed to establish seasons and/or quotas for these fisheries in 2011.

Documents Relied Upon, and where they are available:

1. Staff report for the Oregon Fish and Wildlife Commission hearing of March 11, 2011.
2. Decisions of the Pacific Fishery Management Council, September 2010
(<http://www.pcouncil.org/wp-content/uploads/0910decisions.pdf>, accessed Dec 21, 2010).
3. Decisions of the Pacific Fishery Management Council, November 2010
(<http://www.pcouncil.org/wp-content/uploads/1110decisions.pdf>, accessed Dec 21, 2010).

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?

The proposed rule changes for all fisheries were developed through the Pacific Fishery Management Council's public process, which involves advisory committees and public comment. Representatives of small businesses participated in that process. Department staff conducted three public meetings to solicit input on proposed changes to halibut fisheries, and accepted comments via phone and email. Representatives of small businesses participated in these public comment opportunities.

Administrative Rule Advisory Committee consulted?: No.

If not, why?:

The proposed rule changes for all fisheries were developed through the Pacific Fishery Management Council process, which involves advisory committees and public comment. Department staff also conducted public meetings to discuss proposed changes to halibut regulations.

Lance Thomson

January 14, 2011

Signature

Printed name

Date

**Fiscal and Economic Impact Statement for the March 11, 2011 Hearing
In the Matter of Rules Relating to Commercial Sardine and
Sport and Commercial Halibut Fishing**

Fiscal and economic impact: Rule changes are being proposed to adopt International Pacific Halibut Council (IPHC) and Pacific Fisheries Management Council (PFMC) sport and commercial halibut catch levels and management measures. Additionally, proposed changes would adopt sardine harvest levels for the commercial sardine fishery. Allowable harvests are determined by through the PFMC management process. These rules will be concurrent with the federal rules adopted for these fisheries. The proposed rules will affect state agencies, units of local government, and the public, respectively, as discussed below:

A. The state agencies that would be affected by adoption of these rules are the Oregon Department of Fish and Wildlife (ODFW) and the Oregon State Police (OSP) for enforcement costs. No significant changes in these agencies operations or expenditures are expected as a result of this rule change.

B. No units of local government are expected to be 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 adoption of these rules.

C. The public could be affected by the adoption of these rules.

Commercial sardine landings in Oregon are outlined in Table 1 below. Changes to the allowable catch for sardines are anticipated for 2011. The harvest guideline for the U.S. West Coast is being reduced from 72,039 metric tons (158,818,620 lbs) in 2010 to 50,526 metric tons (111,390,630 lbs) in 2011. The value of sardine landed in Oregon depends on many factors including the coast-wide harvest guideline, availability and quality of sardine, and market conditions. Data and models to predict the availability and quality of sardine or market conditions do not exist. Therefore, while the value of the Oregon sardine fishery in 2011 is likely to be reduced from 2010 levels due to the reduction in the harvest guideline, it is impossible to predict the magnitude of this change.

Table 1 – Pounds and Value of Pacific Sardines Landed in Oregon

Year	Pounds	Total Value	Price per Pound
2005	99,449,714	\$ 5,872,272	\$ 0.06
2006	78,633,884	\$ 3,790,418	\$ 0.05
2007	92,910,549	\$ 4,632,700	\$ 0.05
2008	50,593,285	\$ 5,764,316	\$ 0.11
2009	47,357,065	\$ 5,426,396	\$ 0.11
2010	45,970,905	\$ 5,516,507	\$ 0.12

In 2010, the Total Allowable Catch (TAC) of halibut for area 2A (OR, WA, and northern CA), including both sport and commercial fisheries, was reduced by 15% from 2009 levels. It is expected that, in 2011, the TAC will increase by 6% from the 2010 level. Commercial halibut landings in Oregon are outlined in Table 2 below.

Table 2 – Pounds and Value of Commercial Pacific Halibut Landed in Oregon

Year	Pounds	Total Value	Price per Pound
2005	357,390	\$895,680	\$2.51
2006	251,317	\$766,743	\$3.05
2007	244,368	\$848,937	\$3.47
2008	243,163	\$905,144	\$3.72
2009	233,632	\$670,691	\$2.87
2010	186,383	\$740,988	\$3.98

Sport anglers gain value from fishing over and above the money they pay to participate. These net economic values accrue to individuals as they enjoy the experience of fishing. Information is not available on the net economic values of fishing for halibut in the ocean. However, the expenditures for ocean halibut trips benefit businesses as individuals pay for food, gas, charter boats, bait, hotels, restaurants, ice, etc. These expenditures have an impact on the local coastal economy and Oregon's economy. Ultimately, the expenditures at a store, restaurant, or gas station will result in personal income for employees or owners of these and supporting businesses. Table 3 outlines the personal income impact in Oregon of halibut trips in 2009. These numbers have been derived from an expenditure survey conducted by Gentner (2001). Oregon Department of Fish and Wildlife halibut trip estimates were then applied to the expenditures calculated in the Gentner survey, and adjusted for inflation.

Table 3 – Personal Income Impact of Halibut Trips Off the Oregon Coast

Oregon, Statewide	2009 Personal Income Impact Total Impact (R/NR Pooled) (2008\$)		
	<u>Charter</u>	<u>Pr. Boat</u>	<u>Total</u>
<u>Trip Expenditures</u>			
Private transportation	\$66,053	\$126,146	\$192,200
Public transportation	\$10,982	\$5,519	\$16,501
Food	\$44,184	\$91,035	\$135,219
Lodging	\$67,654	\$80,316	\$147,970
Boat fuel	\$0	\$35,196	\$35,196
Party/charter fees	\$117,526	\$0	\$117,526
Access/boat launching	\$2,189	\$14,852	\$17,042
Equipment rental	\$45,992	\$5,025	\$51,017
Bait and ice	\$2,633	\$28,626	\$31,259
Total	\$357,214	\$386,716	\$743,930

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 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.

References

Gentner, Brad, Michael Price, and Scott Steinback. Marine Angler Expenditures in the Pacific Coast Region, 2000. National Oceanic and Atmospheric Administration Technical Memorandum NMFS-F/SPO 49, October, 2001.