

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 003 and 013, related to fishing seasons in the Pacific ocean.

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

Salmon Seasons for Commercial and Sport Fisheries In the Pacific Ocean.

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. 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. Staff Report for the Oregon Fish and Wildlife Commission hearing of April 22, 2011.

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 were solicited there.

Administrative Rule Advisory Committee consulted?: No.

If not, why?:

The Pacific Fishery Management Council (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, sportsmen and industry representatives. These committees have reviewed the proposed regulations and provided comment.



Signature

Lance Thomson

Printed name

February 15, 2011

Date

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

Oregon Department of Fish and Wildlife, Fish Division	635	
Agency and Division	Administrative Rules Chapter Number	
Therese Kucera	3406 Cherry Avenue NE, Salem, OR 97303	(503) 947-6033
Rules Coordinator	Address	Telephone

**RULE CAPTION**

Salmon 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.

April 22, 2011	08:00 a.m.	Oregon Department of Fish and Wildlife 3406 Cherry Avenue Salem, OR 97303	Oregon Fish and Wildlife Commission
Hearing Date	Time	Location	Hearings Officer

*Auxiliary aids for persons with disabilities are available upon advance request.*

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) 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:**

**AMEND & RENUMBER:**

Stat. Auth.: ORS 496.138, 496.146, 506.036, 506.119, 506.129 and 506.750 et Seq.

Other Auth.: Magnusson-Stevens Sustainable Fisheries Act.

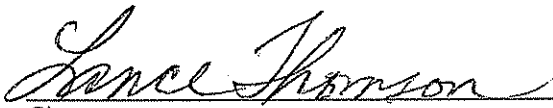
Stats. Implemented: ORS 496.162, 506.036, 506.109, 506.129 and 506.750 et Seq.

**RULE SUMMARY**

Amend rules related to commercial and sport salmon fishing in the Pacific ocean. 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 the negative economic impact of the rule on business.

April 22, 2011  
Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

  
Signature

Lance Thomson  
Printed name

February 15, 2011  
Date

\* Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

**Economic Impact Statement for the April 22, 2011 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 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.

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. At the time this statement was written the expected harvest levels and the restriction of the associated regulations for the salmon fisheries had not been determined, but were being developed by the PFMC.

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 2011 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 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 2010, a total of 513 thousand pounds with a dockside value of \$2,790,000 were landed in the commercial salmon troll fishery, excluding a small amount of pink salmon. Of this total, Chinook contributed \$2,774,065 in revenue, and Coho contributed \$15,582 in revenue. In 2010 there were 1,019 salmon troll permits issued of which 369 had landings. Average ex-vessel revenue was approximately \$7,560 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 53,344 angler days in 2010, a decrease from 84,393 angler days estimated in 2009.

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 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 2010 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, 2010

Species	Average Ex-vessel Price and Revenue per Pound Landed	Total Personal Income per Pound Landed (Coastal Area)	Impact per Fish (Coastal Area)
Coho (2010)	\$ 2.23	\$ 4.29	\$21.45
Chinook (2010)	\$ 5.49	\$ 9.48	\$94.84

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 by the PFMC.

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\$) \$69.53 (2010\$)	\$27.01 (1989\$) \$42.99 (2010\$)
Private boat, coastal nonresident	\$45.02 (1989\$) \$71.66 (2010\$)	\$33.41 (1989\$) \$53.18 (2010\$)
Charter boat, coastal resident	\$63.86 (1989\$) \$101.65 (2010\$)	\$47.79 (1989\$) \$76.07 (2010\$)
Charter boat, coastal nonresident	\$104.53 (1989\$) \$166.38 (2010\$)	\$84.43 (1989\$) \$134.39 (2010\$)

<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.

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 commercial landings and angler activity, or to predict whether prices received by commercial harvesters will be higher or lower than those received in 2010. 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.

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.