

changes to halibut regulations.

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

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ARC 925-2007

Fiscal and Economic Impact Statement for the April 21, 2017 Hearing In the Matter of Rules Relating to Sport and Commercial Pacific Halibut Fisheries

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 for 2017.

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. The state agencies that could 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, revenues, 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, as discussed below:

Commercial and Sport Halibut

The Commission will be asked to adopt state rules concurrent with federal regulations for 2017 commercial and recreational Pacific halibut fisheries. Harvest levels were finalized at the International Pacific Halibut Commission's (IPHC) annual meeting (January 2017), and will be subsequently adopted into federal regulation. The harvest levels set by the IPHC result in a Total Allowable Catch (TAC) for area 2A (WA, OR and Northern CA) of 1,330,000 lbs., up about 16% from the 2016 TAC of 1,140,000 lbs. The Non-tribal portion is 65% of the total TAC, which is 864,500 lbs.

The moderate increase (~16%) in the TAC has the potential to lead to higher landings in 2017 relative to 2016, which is likely to increase economic benefits to commercial and recreational halibut fishers. The magnitude of the economic benefits will depend upon the weather, availability and quality of halibut and market conditions, none of which can be forecast with any certainty.

Commercial halibut landings and values in Oregon are outlined in Table 1 and annual totals for recreational halibut trips are reported in Table 2. The average price per pound for commercially harvested halibut was \$5.60 in 2016 after having averaged around \$5.39 in 2015. The ex-vessel value of the commercial halibut fishery was over \$1.4 million. The commercial halibut fishery has been worth near or over \$1 million each of the last five years. For the 2007 to 2015 period, recreational halibut trips ranged between eleven and twenty thousand per year and composed between 6% and 15% of total recreational ocean fishing effort.

Table 1 – Pounds and Value of Commercial Pacific Halibut Landed in Oregon¹. Prices are nominal (Source: ODFW Fish Tickets)

Year	Pounds	Total Value	Price per Pound
2006	251,315	\$766,377	\$3.05
2007	244,362	\$848,910	\$3.47
2008	243,163	\$905,116	\$3.72
2009	233,661	\$670,438	\$2.87
2010	186,376	\$740,408	\$3.97
2011	216,968	\$1,140,823	\$5.26
2012	197,312	\$964,525	\$4.89
2013	208,103	\$996,635	\$4.79
2014	204,207	\$1,137,167	\$5.57
2015	262,796	\$1,417,776	\$5.39
2016	248,478	\$1,392,698	\$5.60

Table 2 – Ocean recreational fishing trips, in ‘000s of trips. Combo trips are when both salmon and groundfish are targeted. (Source: Oregon Recreational Boat Survey)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Salmon	25.9	71.8	46.4	42.6	57.3	71.7	102.7	54.5	32.8
Halibut	17.5	10.8	13.8	16.4	18	19.4	14.2	17.6	21.6
Tuna	7.1	10.4	11.3	10.8	16	9.4	12	11.9	9.8
Groundfish	72.4	71.8	77.2	71.6	72.3	91.8	75.2	100	90.9
Combo	4.5	12.5	6.9	6	9.9	13.9	18.8	11.5	6

Table 3 shows the various allocations among the subareas Oregon sport fisheries. No significant changes in the distribution of economic benefits related to the sport halibut fisheries are expected in 2016 relative to 2015.

¹ Landing totals may include halibut that were caught outside of Area 2A, e.g. Alaska waters.

Table 3 - Comparison of 2011-2016 allocations (lbs.) for sport halibut fisheries, taking into account changes to TAC and CSP.

	2012	2013	2014	2015	2016	2017
Non-tribal commercial fisheries (WA/OR/CA)	173,216	203,990	197,808	193,564	227,487	265,402
OR Rec fisheries						
Columbia River Subarea						
Spring	9,516	9,516	8,564	NA	NA	NA
Summer					NA	NA
All-Depth	2,379	2,379	2,141	NA	10,509	12,299
Nearshore	NA	NA	1,190	500	500	500
Central Coast Subarea						
Spring All-depth	120,821	120,947	113,229	110,649	130,038	151,712
Summer All-depth	47,945	47,945	46,405	43,908	51,603	60,203
Nearshore	23,014	23,038	22,274	21,076	24,769	28,897
Southern Oregon Subarea	6,056	6,063	3,712	7,318	8,605	10,039

Sport anglers gain value from fishing over and above the money they spend to participate in the sport. 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 at the state level. Ultimately, the expenditures at a store, restaurant, or gas station will result in personal income for employees or owners of these and supporting businesses. According to NOAA’s 2011 study of marine angler expenditures (Lovell et al., 2011), mean trip expenditures in Oregon by residents (nonresidents) on for-hire fishing trips were \$214.92 (\$393.63), on private boats trips \$92.61 (\$174.75), and for shore trips \$49.10 (\$156.16) (in 2011 dollars). Overall, marine angler trip expenditures were \$54 million in 2011, with about \$200 million spent on durable goods. Marine recreational fishing in Oregon contributed about 2,800 jobs to the state’s economy, while trip expenditures support 565 jobs.

One additional item relating to recreational halibut fishing is being presented. In December of 2016 a requirement for rockfish descending devices was put into place in the recreational bottomfish fishery. In April 2017 ODFW is recommending that the Commission adopt the same requirement for halibut fishing. This requirement should not impact the number of angler trips. Descending devices range in price from \$5 to \$60. ODFW, along with several angler groups, have received grants and have been giving free devices out for over 5 years.

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 types of small business subject to the rules are commercial halibut fishermen. There were 109 vessels with Oregon addresses that were issued International Pacific Halibut Council (IPHC) Directed Commercial Fishery licenses in 2016, of which 67 made landings into Oregon ports. In addition, there were 193 vessels with Oregon addresses that were issued IPHC Incidental Salmon Troll licenses in 2016, of which 81 made landings into Oregon ports.

Wholesale dealers who buy landed halibut would be affected and there were 31 in 2016.

Other small businesses 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 wildlife management in Oregon.

References

Lovell, Sabrina, Scott Steinback, and James Hilger. The Economic Contribution of Marine Angler Expenditures in the United States, 2011. National Oceanic and Atmospheric Administration Technical Memorandum NMFS-F/SPO-134, September, 2013.