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## Attachment 2

ARCHIVES DIVISION  
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### NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 635  
DEPARTMENT OF FISH AND WILDLIFE

**FILED**

12/20/2021 3:03 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Commercial Market Squid Management Measures

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 02/18/2022 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

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Filed By:  
Lisa Kingsley  
Rules Coordinator

#### HEARING(S)

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 02/18/2022

TIME: 8:00 AM - 5:00 PM

OFFICER: Oregon Fish and Wildlife Commission

ADDRESS: Oregon Department of Fish and Wildlife  
4034 Fairview Industrial Dr SE  
Salem, OR 97302

#### SPECIAL INSTRUCTIONS:

Because of the rapidly changing situation with COVID-19, this hearing will be conducted virtually. Information will be posted on our website at <https://www.dfw.state.or.us/agency/commission/minutes/>

#### NEED FOR THE RULE(S)

The commercial market squid fishery is a relatively new fishery to Oregon, with most landings and activity occurring from 2016 to present. There is a need to establish regulations that will promote sustainable management of the resource, reduce bycatch and habitat impacts, and provide clarification for enforcement. The purpose of these measures is to maintain fishery sustainability and provide effective conservation management in dynamic ecosystems.

#### DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

1. Staff report that will be prepared for the Oregon Fish and Wildlife Commission hearing on 2/18/2022.

A copy of the rules and the other documents relied upon for this rulemaking [the above document(s)] are available from the Oregon Department of Fish and Wildlife, Fish Division, 4034 Fairview Industrial Drive SE, Salem, Oregon 97302-1142, between the hours of 8:00 a.m. and 4:00 p.m., on normal working days, Monday through Friday.

#### FISCAL AND ECONOMIC IMPACT:

The proposed measures will result in economic and fiscal impacts as described below. These moderate regulatory steps are expected to encourage sustainable management of the fishery, have minor economic impacts, and may help to avoid

more extreme regulatory measures in the future.

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#### COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s).

The Oregon Department of Fish and Wildlife (ODFW) and Oregon State Police (OSP) could experience fiscal impacts, as implementation and enforcement of measures could result in adjustments to current resources and staff time. Overall, these proposed rule changes are not expected to result in significant changes to current levels of costs for ODFW or OSP.

Impacts to ODFW: The proposed recommendations are not anticipated to result in significant fiscal changes in ODFW's costs and/or revenues at this time. For the measure involving establishing a control date of January 1, 2022, for the development of a Limited Entry program for purse seine vessels, there could be the potential for additional costs and/or revenues to ODFW, but this would be dependent on how that future program is structured. Fiscal impacts would likely be contingent on the size of the program, the number of permits, how permits are allocated, and the cost of program implementation. Additional research and public outreach will be needed to develop that program. Currently, we do not have enough information to provide an estimate of program fiscal impacts to the agency. The other measures are not expected to have a fiscal impact on ODFW.

Impacts to OSP: While measures could potentially impact OSP resources as these regulations will require enforcement, the net impact to OSP is expected to be within existing budgets. The measure that strengthens enforceability of rib line regulations (adopted in March 2021) may provide benefits to OSP, as without adjustments that prohibit attaching purse rings and bridles (technical terms for parts of the net) less than 36" above the lead line, the existing measure could easily be violated. In this case the proposed change allows for improved enforceability.

There are no expected direct economic impacts to local governments. It should be noted that port communities could potentially be affected by indirect economic effects of the measures. However, no major changes from the current levels of these agencies' operations or expenditures are expected as a result of these proposed measures.

There is the potential for economic impacts to participants in the Oregon commercial market squid fishery. While the control date measure does not have an immediate fiscal or economic impact, there could be real impacts in the future. As noted earlier, fiscal impacts would depend on the scale and size of the future Limited Entry program. In such programs the number of permits, who is allowed to apply for permits, and the way permits are allocated (i.e., based on prior participation, auctioned, etc.) can have substantive economic impacts on fishery participants. Permits allow for access to the resource and the value of this limited access can be greatly impacted by the way such a permit system is structured. Additional research and public outreach would need to occur to inform the development of a Limited Entry program for Market Squid in Oregon. Estimates for economic impact cannot be constructed this early in the process. The other recommendations consist of specifications around what gear and nets may be used, these rules are intended to allow for most nets that are currently used in Oregon to continue to be allowable. These measures may affect those who operate in other states' squid fisheries (most notably California), as the net used would need to be compliant with the market squid fishery in Oregon.

(2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s);

The type of businesses subject to this rule are those directly engaged in the Oregon commercial market squid fishery. As

of October 2021, 57 unique vessels have made purse seine landings since 2016. The number of businesses that actively participate in this fishery varies annually, with 11 to 40 vessels using purse seine gear in a given year. However, in 2017 there were no participants or landings.

(b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s);

No additional reporting, recordkeeping, and/or administrative compliance costs are anticipated.

(c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

For net specification measures, it is expected that most vessels operating in this fishery in Oregon are already compliant. The impacts would be related to foregone efficiencies or opportunity rather than the actual cost today of modifying or purchasing new nets. We do not have the information needed to estimate these types of "opportunity costs" to vessels at this time.

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Development of these proposed regulatory concepts included stakeholder input from public meetings held in 2016 and each year from 2018 to 2021. An industry survey was conducted by ODFW in December 2020 to gather input on specific regulatory options that were presented earlier this year and relate to some of these proposed rules. This survey collected responses from 30 stakeholders that were active in and or interested in the squid fishery. Since the March 2021 Commission meeting, there have been two meetings with the newly established Market Squid Advisory Plan that have provided recommendations for this current set of rule changes, along with other input collected from other fishery participants and the general public.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

No. The rules are fully compatible with legislative direction on the goals of fish and wildlife management in Oregon. The agency has engaged with the participating businesses throughout the process, including during the February 2022 Commission meeting.

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RULES PROPOSED:

635-005-0921, 635-005-0931

ADOPT: 635-005-0921

RULE SUMMARY: The proposed regulatory changes relate to Oregon's commercial market squid fishery. The regulatory proposals include: establish a control date for a potential future Limited Entry program (for purse seine vessels), prohibit the use of cable purse lines, strengthen enforceability of current rib line gear requirement, and introduce net size restrictions.

CHANGES TO RULE:

635-005-0921

Market Squid Fishery License Limitation

If the Commission adopts a future license limitation measure, January 1, 2022 will be used as the control date for establishing eligibility related to past participation in the commercial market squid purse seine fishery.

Statutory/Other Authority: ORS 506.036, ORS 506.109, ORS 506.119, ORS 506.129

Statutes/Other Implemented: ORS 506.109, ORS 506.129

AMEND: 635-005-0931

RULE SUMMARY: The proposed regulatory changes relate to Oregon's commercial market squid fishery. The regulatory proposals include: establish a control date for a potential future Limited Entry program (for purse seine vessels), prohibit the use of cable purse lines, strengthen enforceability of current rib line gear requirement, and introduce net size restrictions.

CHANGES TO RULE:

635-005-0931

Fishing Gear - Squid Fishery ¶¶

(1) For the purposes of OAR 635-005-0930 through 635-005-0922 and 635-012-0030 through 635-012-0150, "take" is defined to include attracting any squid by light.¶¶

(2) It is unlawful to take market squid for commercial purposes using a purse seine net that ~~is not pursed using a rib line that is a minimum of 18:~~¶¶

(a) Exceeds 1,800 feet in length;¶¶

(b) Exceeds 2,600 meshes in depth, excluding chaffing strip and corkline strip;¶¶

(c) Exceeds 1 7/8 inches above the lead line. In addition, it is unlawful to take market squid for commercial mesh size, excluding chaffing strip and corkline strip;¶¶

(d) Has a chaffing strip or a corkline strip that is more than 25 meshes wide;¶¶

(e) Has purposes using a purse seine net that ~~ise~~ rings or a purse ring bridle attached less than than 36 inches above the lead line;¶¶

(f) ~~Is not pursed using a rib line that is a minimum of 36 inches above the lead line commencing January 1, 2022; or~~¶¶

(g) ~~Is pursed using a steel cable purse line.~~¶¶

(3) It is unlawful for a vessel to pump market squid onboard directly from the pursed seine of another vessel unless squid so received make up no more than 20% of the weight of each landing and the vessel receiving squid in such manner:¶¶

(a) Has lawfully deployed purse seine gear during the current year and pumped resultant catch onboard the same vessel for delivery to a port of landing or fish dealer in Oregon;¶¶

(b) Possesses onboard, in working order, legal seine gear capable of catching market squid including but not limited to seine net, skiff, and pumping gear; and¶¶

(c) Documents the vessel that made the set, any other vessel pumping squid from the pursed seine, and information on catch and location in the logbook required under OAR 635-004-0376.

Statutory/Other Authority: ORS 506.036, ORS 506.1019, ORS 506.1429, ORS 506.1209

Statutes/Other Implemented: ORS 506.1029, ORS 506.1209