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SHEMIA FAGAN
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CHERYL MYERS
DEPUTY SECRETARY OF STATE



Attachment 2

ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 635
DEPARTMENT OF FISH AND WILDLIFE

FILED

02/28/2022 8:37 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: 2022 Commercial and Recreational Ocean Salmon Fisheries Regulations

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 04/22/2022 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.

CONTACT: Lisa Kingsley
503-947-6233
Lisa.M.Kingsley@odfw.oregon.gov

4034 Fairview Industrial Dr SE
Salem, OR 97302

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: 04/22/2022

TIME: 8:00 AM - 5:00 PM

OFFICER: Oregon Fish and Wildlife Commission

ADDRESS: The Loft at the Red Building
20 Basin Street, Suite F
Astoria, OR 97103

SPECIAL INSTRUCTIONS:

Note: Because of the rapidly changing situation with COVID-19, all or portions of this hearing may 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 proposed rules are necessary to implement federal regulations for commercial and recreational salmon fishing in state waters of the Pacific Ocean. Federal regulations were adopted by the Pacific Fishery Management Council (PFMC). Rules are needed to provide orderly salmon fisheries and to protect salmon stocks listed under the federal Endangered Species Act (ESA) and for the conservation of salmon stocks of concern in conjunction with other regional, state, and federal fishery management entities.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Staff report prepared for the Oregon Fish and Wildlife Commission hearing on 04/22/2022.

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. Contact Lisa Kingsley at 503-947-6233 or lisa.m.kingsley@odfw.oregon.gov to view by appointment between the hours of 8:00 a.m. and 4:00 p.m., on normal working days, Monday through Friday.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The Department has solicited input from representatives of underrepresented communities likely to be affected on whether the proposed rule will have a fiscal impact on the community, the extent of the fiscal impact, and whether the rules will have significant impact on underrepresented communities. For a complete list of persons, the department has invited to provide pre-notice comments please contact Lisa Kingsley at 503-947-6233 or lisa.m.kingsley@odfw.oregon.gov.

FISCAL AND ECONOMIC IMPACT:

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.

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 recreational and commercial fishing and from the provision of facilities for the unloading of catches. We do not have precise information on how much the 2022 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.

The public is affected by the 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. Those impacts cannot be determined at this time, as commercial harvest and recreational effort will depend on multiple factors, such as prices for salmon and other food fish, abundance of returning fish, weather, as well as the 2022 regulations. Overall, the 2022 regulations are likely to be similar to 2021 and therefore no significant impacts are anticipated.

Revenues to commercial fishers depend primarily on poundage landed and prices received. In 2021, a total of 232,000 pounds with an ex-vessel value of \$2,248,900 were landed in the commercial salmon ocean troll fishery. Of this total, Chinook Salmon contributed \$2,027,190 in revenue and coho salmon contributed \$8,960. In 2021, there were 875 salmon troll permits issued, of which 186 had landings. Average ex-vessel revenue was approximately \$12,091 per vessel reporting landings.¹

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 total landings, average ex-vessel price per pound landed, and the coastal community personal income impacts for both, coho and Chinook salmon are shown in Table 1. These impacts may change depending on 2022 levels of ex-vessel and ex-processor prices.

The economic impact of ocean recreational salmon fishing activity depends primarily on the level of angler activity (i.e., days of recreational fishing) supported by the seasons and allowable harvests provided to the sport fishery, but also on substitute recreation activities and related angler expenditures. 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.

Ocean salmon recreational estimates of angler activity were 90,700 angler trips in 2021. This is more than the 57,000 trips in 2020 and similar to 2019 (94,200). Compared to last year, regional effort was higher by 273% in Astoria, 41% in Tillamook, 125% in Newport and 25% in Coos Bay, but down by 6% in Brookings.²

Table 2 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 recreational harvest, the estimate of the aggregate impact on coastal personal income will vary depending on the proportion of total trips by charter boats versus private, as well as the proportion of coastal resident versus non-resident anglers.

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. As a result, the magnitudes of harvest and any changes in positive economic impacts could not be accurately estimated. 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 2021. 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.

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).

(2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); Small businesses subject to the rule include commercial troll salmon fishermen. Of the 905 salmon troll permits issued in Oregon in 2021, 175 of them made landings. Those active fishermen would be most affected by the rules. Wholesale dealers who buy landed ocean salmon would be affected, and there were 39 in 2021 (plus 13 limited fish sellers). 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) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s);

No significant changes in these costs are expected for the small businesses subject to the rule.

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

No significant changes in these costs are expected for the small businesses subject to the rule.

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

Small businesses are not directly involved in the development of these rules since the annual harvest limits are developed through the PFMC process.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:

635-003-0003, 635-013-0003

AMEND: 635-003-0003

RULE SUMMARY: These rules will establish commercial and recreational salmon seasons in the Pacific Ocean within Oregon jurisdictional waters. Seasons are set in a manner that will conserve stocks of salmon and will conform to federal regulations adopted under the Magnuson-Stevens Fishery Conservation and Management Act.

CHANGES TO RULE:

635-003-0003

Purpose and Scope ¶¶

(1) The purpose of Division-003 is to provide for management of commercial salmon fisheries off the Oregon Coast over which the state has jurisdiction. ¶¶

(2) Division-003 incorporates into Oregon Administrative Rules, by reference, the annual ocean troll salmon specifications and management measures as adopted by the Pacific Fishery Management Council in its annual Ocean Salmon Management Measures and Impacts, as finalized in April 2024², and in addition to the extent they are consistent with these rules, Code of Federal Regulations (CFR), Title 50, Part 660, Subpart H (61FR34572, July-2, 1996, as amended to incorporate the standards in the Pacific Fishery Management Council referenced document). Therefore, persons must consult the Pacific Fishery Management Council referenced document and Federal Regulations in addition to Division-003 to determine all applicable troll salmon fishing requirements. A copy of the Pacific Fishery Management Council referenced document and the Federal Regulations may be obtained by contacting the Pacific Fishery Management Council at www.pcouncil.org or at 7700 NE Ambassador Place, Suite 101, Portland, OR 97220-1384. ¶¶

(3) To the extent not preempted by Federal law, these regulations apply within the State of Oregon's Fisheries Conservation Zone (out to fifty miles from shore).

Statutory/Other Authority: ORS 496.138, ORS 496.146, ORS 506.119

Statutes/Other Implemented: ORS 506.129

AMEND: 635-013-0003

RULE SUMMARY: These rules will establish commercial and recreational salmon seasons in the Pacific Ocean within Oregon jurisdictional waters. Seasons are set in a manner that will conserve stocks of salmon and will conform to federal regulations adopted under the Magnuson-Stevens Fishery Conservation and Management Act.

CHANGES TO RULE:

635-013-0003

Purpose and Scope ¶¶

- (1) The purpose of Division 013 is to provide for management of recreational salmon fisheries off the Oregon Coast over which the State has jurisdiction. ¶¶
- (2) This rule incorporates by reference, the annual ocean recreational salmon specifications and management measures as adopted by the Pacific Fishery Management Council in its annual Ocean Salmon Management Measures and Impacts, as finalized in April 2024~~2~~, and in addition to the extent they are consistent with these rules, Code of Federal Regulations (CFR), Title 50, Part 660, Subparts A and H. ¶¶
- (3) This rule also incorporates by reference the Oregon Sport Fishing Regulations. ¶¶
- (4) A copy of the Pacific Fishery Management Council referenced document and the Federal Regulations may be obtained by contacting the Pacific Fishery Management Council at www.pcouncil.org or at 7700 NE Ambassador Place, Suite 101, Portland, OR 97220-1384. ¶¶
- (5) To the extent not preempted by Federal law, these regulations apply within the State of Oregon's Fisheries Conservation Zone (out to fifty miles from shore).
Statutory/Other Authority: ORS 496.138, ORS 496.146, ORS 506.119
Statutes/Other Implemented: ORS 496.162, ORS 506.129