

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*

A Statement of Need and Fiscal Impact accompanies this form

Oregon Department of Fish & Wildlife, Fish Division	635
Agency and Division	Administrative Rules Chapter Number
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Address	

RULE CAPTION

Columbia River Basin Salmon, Steelhead and Sturgeon Recreational Fishing Endorsement Fees

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

		Hallmark Inn 744 SW Elizabeth Street Newport, OR 97365	
October 4, 2013	8:00 a.m.		Oregon Fish & 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, Division 011, 013, 014, 017, 018, 019, 023, as determined justified.

AMEND: OAR Chapter 635, Division 011, 013, 014, 017, 018, 019, 023, as determined justified.

REPEAL:

RENUMBER:

AMEND & RENUMBER:

Stat. Auth.: ORS 496.138, 496.146, 506.045, 506.119, 509.230

Other Auth.:

Stats. Implemented: ORS 496.162, 506.109, 506.129, 509.230, SB 830 (2013)

RULE SUMMARY

The rule amendments will implement, by Oregon Administrative Rule, changes to the fees charged for recreational fishing licenses for waters within the Columbia River Basin. The passage of SB830 (2013) required additional license fees, in the form of an endorsement, be charged when fishing for salmon, steelhead or sturgeon within the Columbia River Basin. 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.

October 4, 2013

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)


Signature

Lance Thomson
Printed name

August 13, 2013
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

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 & Wildlife, Fish Division

635

Agency and Division

Administrative Rules Chapter Number

Columbia River Basin Salmon, Steelhead and Sturgeon Recreational Fishing Endorsement Fees

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

In the Matter of: Amendment of OAR Chapter 635, Divisions 011, 013, 014, 017, 018, 019 and 023 related to the Columbia River Basin salmon, steelhead and sturgeon recreational fishing endorsement fees as required by SB830 (2013).

Statutory Authority: ORS 496.138, 496.146, 506.045, 506.119, 509.230

Other Authority:

Stats. Implemented: ORS 496.162, 506.109, 506.129, 509.230, SB 830 (2013)

Need for the Rule(s):

Amended rules are needed to implement the requirements of SB 830 (2013) Section 9, Subsection 23, regarding the requirement for anglers to obtain a salmon, steelhead and sturgeon recreational fishing endorsement prior to angling for these species within the Oregon portions of the Columbia River Basin.

Documents Relied Upon, and where they are available:

1. SB830 (2013).

The above documents are available for public inspection at the Dept. of Fish and Wildlife, Fish Division, Second Floor, at 4034 Fairview Industrial Drive SE, 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? Small businesses could have participated in the legislative process that developed SB 830. Revisions are required by SB830 (2013) Section 9, Subsection (23).

Administrative Rule Advisory Committee consulted?: No.

If not, why?: Changes to the rules were developed in response to SB830 (2013) Section 9, subsection (23).


Signature

Lance Thomson
Printed Name

August 13, 2013
Date

Fiscal and Economic Impact Statement for the October 4, 2013 Hearing In the Matter of Rules Relating to Columbia River Basin Endorsement

Background: The passage of Senate Bill 830 authorizes the Oregon Fish and Wildlife Commission to establish an annual Columbia River Basin salmon/steelhead/sturgeon recreational fishing endorsement. This endorsement would be required to fish salmon, steelhead, or sturgeon in the Columbia River Basin. The endorsement fee may be priced as high as \$9.75 for annual angling license holders. The endorsement could also add a dollar per day to the price of daily angling licenses (e.g., one-day goes from \$16.75 to \$17.75; two-day goes from \$31.50 to \$33.50). Revenues resulting from the endorsement will be directed into the Columbia River Fisheries Enhancement Fund.

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 would be affected by adoption of these rules are the Oregon Department of Fish and Wildlife (ODFW) and Oregon State Police (OSP). Additional OSP enforcement effort would not be anticipated with the establishment of the endorsement.

In terms of fiscal impacts to ODFW, there would be additional work for certain staff, particularly in Information Services Division and Licensing, associated with implementation of the endorsement. That additional work would be absorbed by current staff by reprioritizing workloads and not be expected to result in increased costs to the agency.

The establishment of an annual Columbia Basin salmon, steelhead and sturgeon recreational fishing endorsement would likely result in increased revenues to the department, which would go directly into the Columbia River Fisheries Enhancement Fund. Using data from Dean Runyan (2009), we estimate that about 48% of salmon, steelhead, and sturgeon fishing trips in Oregon are to the Columbia River Basin. The three-year average (2010-2012) count of salmon, steelhead and sturgeon harvest tags sold is 188,885 (including both Juvenile and Adult tag types). Forty-eight percent of that is 90,665, an estimate of the amount of tags purchased to fish the Columbia Basin. Increasing the price to fish in the Columbia Basin may influence some anglers to fish elsewhere that does not have a required endorsement. The price to fish salmon, steelhead, or sturgeon in Columbia Basin for average angler will increase by about 16% by the introduction of the endorsement. In 2010, the adult harvest tag fee was raised by 24% and there was a 3% drop in tag purchases from 2009 to 2010, which equates to an elasticity of -0.12. Assuming the same elasticity in the endorsement scenario, then about 2% (1,813) of the 90,665 tag purchasers calculated above would not buy the endorsement. After accounting for the potential effects on the price increase to fish, the estimated number of endorsement buyers would be 88,852. Assuming the new endorsement were to be priced at \$9.75/year, then estimated revenues would be approximately \$866,000 on an annual basis, or \$1,732,000 per biennium. In addition to the endorsement on annual angling licenses, there would be an endorsement assessed on daily angling licenses, at the rate of \$1.00 per day. Estimated revenues would increase by approximately \$135,000 on an annual basis, or \$270,000 per biennium (but will be destined for the Columbia River Fisheries Enhancement Fund). These estimates are based on the best available information and could vary depending on angler behavior, fish run sizes, weather, etc.

B. Units of local government could be affected by these rules. Changes in the number of commercial and recreational trips could result from the proposed rules and could mean changes in parking fee and moorage fee revenues received by the Port Authorities and other local governments. By raising the price of fishing for salmon, steelhead, and sturgeon, it is possible that the endorsement could result in fewer angling trips targeting those species in the Columbia River Basin. This could mean fewer nights spent in local accommodations along the Columbia River. Hotel tax revenues could be affected for locations such as the City of Astoria. These potential changes cannot be estimated given the limited available data, though no

significant changes from the current levels of any local agencies' operations or expenditures would be expected to result from the adoption of these rules.

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

The endorsement on annual and daily angling licenses would effectively raise the price of sport fishing for salmon, steelhead, and sturgeon in the Columbia River Basin. This could have the effect of reducing the amount of fishing trips (for those species) in the Basin as recreational fishers may opt to fish for those species in other locations where the endorsement would not be required, may decide to target other species not on the endorsement, or may stop fishing. Another factor in the equation is that additional impact allocation of mainstem fish will be available to sport fishers under the Columbia River Fisheries Management Plan. This will mean, on average, more fishing opportunity in the Basin for sport fishers. With potentially more fish available to recreational anglers in the mainstem in the transition and long-term periods, it is likely that the number of angler trips would increase in response. Thus, many fishers may be influenced more by the increased opportunity than by the increased price and may make more fishing trips in the Basin. Given the many factors at play, the precise effect on salmon/steelhead/sturgeon fishing trips in the Basin cannot be determined at this time. But given the insensitivity to price that salmon/steelhead/sturgeon fishers showed when the Angling Combo Harvest Tag price was raised in 2010 (see above discussion; elasticity only -0.12), it seems likely that the increased fishing opportunity may be a more important factor than total license cost in determining the potential change in angler trips.

With more fish available in the Columbia River mainstem, recreational fishing guides may see additional business. The increased cost of fishing related to the endorsement would be very small relative to the overall cost of going out with a fishing guide and that increase would not be expected to affect sport fishers decision to do a guided fishing trip. The overall effect on fishing guide community cannot be determined with the limited information. The guide sector may see more profits initially, but additional guides may join the ranks to take advantage of the additional business.

Economic impacts are associated with angler trips because the anglers will spend money on gas, food, lodging, guides, etc. during their trips. These trip-related expenditures could be spent near the angler's residence, the point of access in the Columbia River Basin, and anywhere in between, though a greater proportion of expenditures would likely be concentrated in local Columbia River Basin communities. Expenditures on equipment are less likely to be affected because anglers would not likely increase spending on fishing equipment in response to fishing a small number of additional days. A portion of the angler trip-related expenditures would be recirculated through the local economies where it was spent (multiplier effect). A current average for expenditures per angler trip were derived from Oregon-specific estimates in the 2011 U.S. Fish and Wildlife Survey state overview -- \$63/trip. Another relevant economic measure is the personal income impact from angler expenditures; a current estimate from Pacific Fisheries Management Council (PFMC) 2011 Review of Ocean Salmon is \$40/trip. Overall economic impacts related to possible changes in sport fishing trips cannot be determined at this time.

Additional investment in enhancement of off-channel areas (using monies collected in the Columbia River Fisheries Enhancement Fund) would likely result in additional personal income in Clatsop county and perhaps Columbia county. New or additive infrastructure work may result and could mean some additional employment/income earned in the lower Columbia River area. More ODFW staff would be stationed in those counties, mostly for limited terms, in order to conduct the proposed work and that staff would spend money on housing, food, entertainment, etc. in the local Columbia River communities. The magnitude of these economic impacts cannot be determined due to limited information (e.g., we don't know what infrastructure work may occur or where people will reside and for how long).

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 types of businesses and industries with small businesses subject to the rule would include recreational fishing guides, food and beverage stores, gasoline stations, sporting good stores, general merchandise stores, accommodation businesses, food services and drinking places, and marinas.

According to the Oregon State Marine Board, there were 102 licensed recreational fishing guides who had the Lower Columbia River (LCR) Endorsement in 2012 (three-year average = 99). It is likely that a number of private Charter Boats also fish the Lower Columbia River, but that number cannot be estimated with current data.

Given the large extent of the Columbia River Basin and the myriad locations to fish there, the number of small businesses subject to the rule cannot be determined.

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 plan is written 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.

References

Oregon Department of Fish and Wildlife. Management Strategies for Columbia River Recreational and Commercial Fisheries: 2013 and Beyond. November 21, 2012. Salem, Oregon.

Review of 2011 Ocean Salmon Fisheries. Pacific Fisheries Management Council. February 2012. www.pcouncil.org.

U.S. Fish and Wildlife. 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation: State Overview. February 2013.

Documents referenced in this analysis are available for review at the headquarters building of the Oregon Department of Fish and Wildlife.