

STATE OF CALIFORNIA
FISH AND GAME COMMISSION
INITIAL STATEMENT OF REASONS FOR REGULATORY ACTION
(Pre-publication of Notice Statement)

Amend Section 28.20
Title 14, California Code of Regulations
Re: Pacific Halibut

I. Date of Initial Statement of Reasons: October 13, 2015

II. Dates and Locations of Scheduled Hearings:

(a) Notice Hearing: Date: December 9, 2015
Location: San Diego

(b) Discussion Hearing: Date: February 10, 2016
Location: Sacramento

(c) Adoption Hearing: Date: April 13, 2016
Location: Santa Rosa

III. Description of Regulatory Action:

(a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary:

Pacific halibut is internationally managed under the authority of the Northern Pacific Halibut Act of 1982 (the "Act"; Title 16, Chapter 10, Subchapter IV, Sections 773 to 773k, U.S. Code) pursuant to the Convention between the United States of America and Canada for the Preservation of the [Pacific] Halibut Fishery of the Northern Pacific Ocean and Bering Sea (Convention). Provisions of the Convention establish the International Pacific Halibut Commission (IPHC) and outline general administrative and enforcement requirements.

Convention waters as defined include "... the waters off the west coasts of the United States and Canada ... within the respective maritime areas in which either Party exercises exclusive fisheries jurisdiction. For the purposes of this Convention, the "maritime area" in which a Party exercises exclusive fisheries jurisdiction includes without distinction areas within and seaward of the territorial sea or internal waters of the Party" (Article I).

The IPHC was established to conduct research and coordinate management activities in the waters of the parties to the Act. Pacific halibut along the United States west coast is jointly managed through authorities of the IPHC, Pacific Fishery Management Council (PFMC), and the National Marine Fisheries Service (NMFS), in conjunction with west coast state agencies. The IPHC sets the annual Total Allowable Catch (TAC) for each of the Pacific halibut management areas (including the west coast – Area 2A) using stock assessment and research survey results.

The PFMC coordinates west coast management of all recreational and commercial Pacific halibut fisheries in United States waters through the Area 2A Pacific Halibut Catch Sharing Plan (CSP), which constitutes a framework for recommending annual management measures to NMFS. The CSP framework also establishes the sharing formula used for allocating the Area 2A TAC among west coast fisheries, including the California recreational fishery. NMFS is responsible for specifying the final CSP language and management measures in federal regulation (50 CFR Part 300, Subpart E and Federal Register) and reporting season specifications on its halibut telephone hotline.

For species managed under federal fishery management plans or regulations, the Fish and Game Commission (Commission) has usually taken concurrent action to conform State recreational regulations to federal regulations. This is done in recognition of federal jurisdiction and to ensure consistency and ease of use for constituents who are subject to both State and federal laws while fishing for or in possession of sport fish. Pacific halibut federal regulations are applicable in federal waters (three to 200 miles offshore) off Washington, Oregon and California. Each state adjacent to federal waters adopts corresponding fishery regulations for their own waters (zero to three miles off shore).

PFMC Action Re: Pacific Halibut Fishing Off California

At its November 2015 meeting, the PFMC will recommend changes to the 2016 CSP and recreational Pacific halibut fishery in California. Federal regulations are expected to become effective prior to May 1, 2016.

Pacific Halibut Quota Management

The established quota management system for the Pacific halibut recreational fishery ensures catches stay within the allowable quota.

Following the determination of the 2016 Area 2A TAC by the IPHC (in late January 2016), the Department may conduct additional public outreach to

gather input to inform the NMFS decision on a preferred 2016 fishing season expected to keep catches within the allowable quota. After consideration of the input received, the Department will recommend a preferred 2016 season structure to NMFS for approval. The approved season will be included in the final federal regulations and on the NMFS halibut hotline prior to the start of the season.

During the 2016 fishing season, the Department will actively monitor the fishery and coordinate with NMFS and the IPHC weekly on the status of catches relative to the Pacific halibut quota. If catches are projected to meet and/or exceed the California quota, NMFS and the IPHC could take action to close or modify the fishery following consultation with the Department. The NMFS will provide notice of any inseason action to close the season in California via its halibut hotline; this is similar to the process used for recreational fisheries in Oregon and Washington.

The Department shall also inform the Commission and the public via a press release of any inseason changes in regulations triggered by achieving or expecting to exceed the quota. The latest fishing rules will be posted on the Department's website, the Recreational Groundfish Fishing Regulations Hotline, the NMFS Area 2A halibut hotline, and made available by contacting a Department office.

Present Regulations

Current regulations for Pacific halibut authorize recreational fishing in waters off California from May 1 through 15, June 1 through 15, July 1 through 15, August 1 through 15, and September 1 through October 31 or until the quota is reached, whichever comes first. The 2015 quota amount was 25,220 pounds. The State and federal daily bag limit is one fish per angler and there is no minimum size limit.

Present regulations also establish methods of take and include the use of hook and line, harpoons, spears, and bow and arrow gear.

Proposed Amendments

The Department is proposing the following regulatory changes to be consistent with PFMC recommendations and the CSP for Pacific halibut regulations in 2016. This approach will allow the Commission to adopt State recreational Pacific halibut regulations to conform in a timely manner to those taking effect in federal ocean waters on or before May 1, 2016.

The proposed regulatory changes to Section 28.20 would modify the season to include a range from May 1 to October 31 which may include periodic closures, and replace the text regarding the 2015 quota with a reference to the Federal Register specifying the 2016 federal quota

amount. The final regulation will conform to the season, established by federal regulations, which begins in May 2016.

It is the policy of the State to encourage the conservation, maintenance, and utilization of the living resources of the ocean and other waters under the jurisdiction and influence of the State for the benefit of all the citizens of the State. In addition, it is the policy of the State to promote the development of local fisheries and distant-water fisheries based in California in harmony with international law respecting fishing and the conservation of the living resources of the ocean and other waters under the jurisdiction and influence of the State. The objectives of this policy include, but are not limited to, the maintenance of sufficient populations of all species of aquatic organisms to ensure their continued existence and the maintenance of a sufficient resource to support a reasonable sport use, taking into consideration the necessity of regulating individual sport fishery bag limits to the quantity that is sufficient to provide a satisfying sport. Adoption of scientifically-based seasons and other regulations provides for the maintenance of sufficient populations of Pacific halibut to ensure their continued existence.

The benefits of the proposed regulations are consistency with international and federal regulations and the sustainable management of California's Pacific halibut resources.

- (b) Authority and Reference Sections from Fish and Game Code for Regulation:

Authority: Sections 200, 202, 205, 219, 220, 240 and 316, Fish and Game Code

Reference: Sections 200, 202, 203.1, 205, 207, 215, 219, 220, and 316, Fish and Game Code, 50 CFR Part 300, Subpart E; and 50 CFR 300.66.

- (c) Specific Technology or Equipment Required by Regulatory Change:

None.

- (d) Identification of Reports or Documents Supporting Regulation Change:

Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea.

Northern Pacific Halibut Act of 1982:

<http://www.gpo.gov/fdsys/pkg/USCODE-2010-title16/html/USCODE-2010-title16-chap10-subchapIV.htm>

Environmental Assessment and Regulatory Impact Review for Continuing Implementation of the Catch Sharing Plan for Pacific Halibut in Area 2A, 2014-2016:

<http://www.westcoast.fisheries.noaa.gov/publications/nepa/halibut/ea-halibut-2014.pdf>

- (e) Public Discussions of Proposed Regulations Prior to Notice Publication:
- September 16, 2015 PFMC meeting in Sacramento, CA.
 - November 19, 2015 PFMC meeting in Garden Grove, CA.

IV. Description of Reasonable Alternatives to Regulatory Action:

- (a) Alternatives to Regulation Change:

No alternatives were identified by or brought to the attention of Commission staff that would have the same desired regulatory effect.

- (b) No Change Alternative:

Under the No-Change Alternative, status quo management of the Pacific halibut resource would continue for 2016. This would result in misalignment between federal and State regulations when NMFS establishes new regulations for the California fishery for 2016 or if NMFS takes inseason action to modify or close the fishery. Inconsistency in regulations will create confusion among the public and may result in laws that are difficult to enforce.

It is critical to have consistent State and federal regulations establishing season dates, depth constraints and other management measures, and also critical that the State and federal regulations be effective concurrently. Consistency with federal regulations is also necessary to maintain State authority over its recreational Pacific halibut fisheries and avoid federal or international preemption.

- (c) Consideration of Alternatives:

In view of information currently possessed, no reasonable alternative considered would be more effective in carrying out the purpose for which

the regulation is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

V. Mitigation Measures Required by Regulatory Action:

The proposed regulatory action will have no negative impact on the environment; therefore, no mitigation measures are needed.

VI. Impact of Regulatory Action:

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

(a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states because the regulatory action does not substantially alter existing conditions.

(b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California; Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment:

The Commission does not anticipate any impacts on the creation or elimination of jobs in California.

The Commission does not anticipate any impacts on the creation of new businesses, the elimination of existing businesses, or the expansion of businesses in California because the regulatory action does not substantially alter existing conditions.

The Commission anticipates benefits to the health and welfare of California residents. Providing opportunities to participate in sport fisheries fosters conservation through education and appreciation of fish and wildlife.

The Commission anticipates benefits to the environment by the sustainable management of California's Pacific halibut resources.

The Commission does not anticipate any benefits to worker safety.

Additional benefits of the proposed regulations are consistency with federal regulations and promotion of businesses that rely on recreational Pacific halibut fishing.

(c) Cost Impacts on a Representative Private Person or Business:

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

(d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

None.

(e) Nondiscretionary Costs/Savings to Local Agencies:

None.

(f) Programs Mandated on Local Agencies or School Districts:

None.

(g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code:

None.

(h) Effect on Housing Costs:

None.

VII. Economic Impact Assessment:

Recreational fisheries are broadly sub-divided between private anglers and commercial passenger fishing vessels. The economic impact of regulatory changes for recreational fisheries may be estimated by tracking the resulting changes in fishing effort, angler trips and length of stay in the

fishery areas. Distance traveled affects gas and other travel expenditures. Daytrips and overnight trips involve different levels of spending for gas, food and accommodations at area businesses as well as different levels of sales tax impacts. Direct expenditures ripple through the economy, as receiving businesses buy intermediate goods from suppliers who then spend that revenue again. Business spending on wages is received by workers who then spend that income, some of which goes to local businesses. Spending associated with recreational fisheries thus multiplies throughout the economy with the indirect and induced effects of the initial direct expenditure.

In the aftermath of a one-month Pacific halibut fishing closure in 2014, surveys^a of anglers and businesses were conducted to gauge the importance of the Pacific halibut fishery to anglers and local communities. Of 265 angler respondents, about 20 percent of Pacific halibut anglers traveled from outside of coastal northern California, while the majority of survey respondents were from California's north coast. The Department's 2014 surveys similarly found that 70 percent of anglers reported residing within California's three north coast counties (Mendocino, Humboldt, and Del Norte). Of the total reported trips (6,589), the respondent anglers each took on average more than 30 trips in the 2013/2014 seasons, and 34 percent included Pacific halibut as a primary target. Results indicated an even higher number (89 percent) pursued Pacific halibut as one of their primary target species, and 70 percent also pursued other species on trips for Pacific halibut. The average angler traveled 119 miles on land and 23 miles on water on their most recent Pacific halibut trip. Overall, angler expenditures averaged about \$250 per angler trip and both surveys concluded that recreational fishing for Pacific halibut is economically important to charter boat businesses, tackle and marine supply businesses, lodging establishments near fishing access points, and businesses that provide traveler services such as: gas stations, markets, convenience stores, and restaurants.

The adoption of scientifically-based regulations provides for the maintenance of sufficient populations of sport fish to ensure their continued existence and future sport fishing opportunities that in turn support local and regional economies. In a 2012 Fisheries Economics Report by the NMFS, trip-related and equipment expenditures for all

^a Hesselgrave, T., N. Enelow, and K. Sheeran, 2014. The Estimated Economic Impact of the Northern California Pacific Halibut Closure of August 2014 (recreational and charter boats), conducted by Ecotrust, funded by Humboldt Area Saltwater Anglers.

Takada, M., 2014. Analysis of the Economic Effects of the August Pacific Halibut Closure on California's North Coast Businesses, conducted by Humboldt State University, funded by California Department of Fish and Wildlife.

marine recreational anglers sum to approximately \$1.7 billion in California. Coupled with the indirect and induced effects of this \$1.7 billion direct revenue contribution, the total realized economic benefit to California is estimated at \$2.7 billion in annual total economic output. This corresponds with about \$630 million in total wages to Californians, which affects about 13,000 jobs in the State, annually. The portion of this benefit derived from or related to the Pacific halibut fishery is unknown.

The proposed regulations will modify State recreational Pacific halibut regulations to conform to federal rules. Currently, State regulations for Pacific halibut provide for an annual quota, season length, authorized methods of take, and bag limit.

In adopting these conforming regulations, the State relies on information provided in the federal Draft Environmental Impact Statement which includes analysis of impacts to California. (Environmental Assessment and Regulatory Impact Review for Continuing Implementation of the Catch Sharing Plan for Pacific Halibut in Area 2A, 2014-2016)
<http://www.westcoast.fisheries.noaa.gov/publications/nepa/halibut/ea-halibut-2014.pdf>.

For public notice purposes to facilitate Commission discussion, the Department is proposing regulatory changes to encompass the range of federal Pacific halibut regulations that are expected to be in effect for 2016. The proposed regulatory changes may modify season length and replace the text regarding the 2015 quota with a reference to the Federal Register specifying the 2016 federal quota amount.

The estimated impacts on angler trips are anticipated to be close to status quo. Economic impacts are not expected to change compared to 2015 because the 2016 fishery season is expected to be similar to the previous year.

- (a) Effects of the Regulation on the Creation or Elimination of Jobs Within the State:

The cumulative effects of the changes statewide are estimated to be neutral to job elimination and potentially positive to job creation in California. No significant changes in fishing effort and recreational fishing expenditures to businesses are expected as a direct result of the proposed regulation changes.

- (b) Effects of the Regulation on the Creation of New Businesses or the Elimination of Existing Businesses Within the State:

The cumulative effects of the changes statewide are expected to be neutral to business elimination and have potentially positive impacts to the creation of businesses in California. No significant changes in fishing effort and recreational fishing expenditures to businesses are expected as a direct result of the proposed regulation changes.

(c) Effects of the Regulation on the Expansion of Businesses Currently Doing Business Within the State:

The cumulative effects of the changes statewide are expected to be neutral to positive to the expansion of businesses currently doing business in California. No significant changes in fishing effort and recreational fishing expenditures to businesses are expected as a direct result of the proposed regulation changes.

(d) Benefits of the Regulation to the Health and Welfare of California Residents:

The Commission anticipates benefits to the health and welfare of California residents. Providing opportunities to participate in sport fisheries fosters conservation through education and appreciation of California's wildlife.

(e) Benefits of the Regulation to Worker Safety:

The proposed regulations are not anticipated to impact worker safety conditions.

(f) Benefits of the Regulation to the State's Environment:

It is the policy of this State to encourage the conservation, maintenance, and utilization of living marine resources under the jurisdiction and influence of the State for the benefit of all citizens (Section 1700, Fish and Game Code). Benefits of the proposed regulations include continuation of fishing opportunity, along with the continuation of the reasonable and sustainable management of recreational finfish resources. Adoption of scientifically-based seasons provides for the maintenance of sufficient populations of Pacific halibut to ensure their continued existence and recreational use.

(g) Other Benefits of the Regulation:

Concurrence with Federal Law:

Pacific halibut along the United States west coast is jointly managed through authorities of the IPHC, PFMC, and the NMFS, in conjunction with west coast state agencies. The PFMC annually reviews the status of Pacific halibut regulations. As part of that process, it recommends regulations aimed at meeting biological and fishery allocation goals specified in law or established in the Pacific Halibut CSP. These recommendations coordinate management of recreational Pacific halibut in State (zero to three miles) and federal waters (three to 200 miles offshore) off the coasts of Washington, Oregon, and California. These recommendations are subsequently implemented as ocean fishing regulations by the NMFS.

California's sport fishing regulations need to conform to federal regulations to ensure that biological and fishery allocation goals are not exceeded and to provide uniformity in management and enforcement activities across jurisdictions.

Informative Digest/Policy Statement Overview

Pacific halibut is internationally managed under the authority of the Northern Pacific Halibut Act of 1982 between the United States of America and Canada. Pacific halibut along the United States west coast is jointly managed through authorities of the International Pacific Halibut Commission (IPHC), Pacific Fishery Management Council (PFMC), and the National Marine Fisheries Service (NMFS), in conjunction with the west coast state agencies. The PFMC coordinates west coast management of all recreational and commercial Pacific halibut fisheries in United States waters through the Pacific Halibut Catch Sharing Plan (CSP), which constitutes a framework for recommending annual management measures. The NMFS is responsible for specifying the final CSP language and management measures in federal regulations (50 CFR Part 300, Subpart E and the Federal Register) and noticing them on their halibut telephone hotline. Federal regulations for Pacific halibut are applicable in federal waters (three to 200 miles offshore) off Washington, Oregon, and California. Each state adjacent to federal waters adopts corresponding fishery regulations for their own waters (zero to three miles off shore).

For consistency, the California Fish and Game Commission (Commission) routinely adopts regulations to bring State law into conformance with federal and international law for Pacific halibut.

The November PFMC regulatory recommendation and NMFS final rule will be considered by the Commission when it takes its own regulatory action to establish the State's recreational Pacific halibut fishery regulations for 2016.

Summary of Proposed Amendments

The Department is proposing the following regulatory changes to be consistent with PFMC recommendations and the CSP for Pacific halibut regulations in 2016. This approach will allow the Commission to adopt State recreational Pacific halibut regulations to conform in a timely manner to those taking effect in federal ocean waters on or before May 1, 2016.

The proposed regulatory changes modify Pacific halibut regulations to allow for timely conformance to federal fisheries regulations and inseason changes. The proposed regulatory changes would modify the seasons to include a range from May 1 to October 31 which may include periodic closures, and replace the text regarding the 2015 quota with a reference to the Federal Register specifying the 2016 federal quota amount. The final regulation will conform to the season established by federal regulations in May 2016.

The benefits of the proposed regulations are: consistency with federal regulations, the sustainable management of California's Pacific halibut resources, and health and

welfare of California residents.

The proposed regulations are neither inconsistent nor incompatible with commercial fishing regulations (Chapter 6, Title 14 CCR), State Coastal Conservancy regulations for experimental fishing gear loan programs (Section 13862, Title 14, CCR), and State Board of Equalization tax regulations (Section 1602, Title 18, CCR). The Legislature has delegated authority to the Commission to adopt sport fishing regulations (Fish and Game Code, Sections 200, 202, and 205) and Pacific halibut fishing regulations specifically (Fish and Game Code, Section 316). The proposed regulations are consistent with regulations for sport fishing in marine protected areas (Section 632, Title 14, CCR) and with general sport fishing regulations in Chapters 1 and 4 of Subdivision 1 of Division 1, Title 14, CCR. Commission staff has searched the California Code of Regulations and has found no other State regulations related to the recreational take of Pacific halibut.