

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

Amend Subsection (b)(91.1) of Section 7.50
Title 14, California Code of Regulations
Re: Klamath River Sport Fishing Regulations

- I. Date of Initial Statement of Reasons: February 11, 2016

- II. Dates and Locations of Scheduled Hearings:
 - (a) Discussion Hearing: Date: December 10, 2015
Location: San Diego

 - (b) Notice Hearing: Date: February 11, 2016
Location: Sacramento

 - (c) Adoption Hearing: Date: April 18, 2016
Location: Teleconference

- III. Description of Regulatory Action:
 - (a) Statement of Specific Purpose of Regulation Change and Factual Basis for Determining that Regulation Change is Reasonably Necessary:

The Klamath River System, which consists of the Klamath River and Trinity River basins, is managed through a cooperative system of State, federal, and tribal management agencies. Salmonid regulations are designed to meet natural and hatchery escapement needs for salmonid stocks, while providing equitable harvest opportunities for ocean sport, ocean commercial, river sport and tribal fisheries.

The Pacific Fishery Management Council (PFMC) is responsible for adopting recommendations for the management of sport and commercial ocean salmon fisheries in the Exclusive Economic Zone (three to 200 miles offshore) off the coasts of Washington, Oregon, and California. When approved by the Secretary of Commerce, these recommendations are implemented as ocean salmon fishing regulations by the National Marine Fisheries Service (NMFS).

The California Fish and Game Commission (Commission) adopts regulations for the ocean salmon sport (inside three miles) and the Klamath River System sport fisheries which are consistent with federal fishery management goals.

Two tribal entities within the Klamath River System, the Hoopa Valley Tribe and the Yurok Tribe, maintain fishing rights for ceremonial,

subsistence and commercial fisheries that are managed consistent with federal fishery management goals. Tribal fishing regulations are promulgated by the Hoopa and Yurok tribes.

For the purpose of PFMC mixed-stock fishery modeling and salmon stock assessment, salmon greater than 22 inches are defined as adult salmon (ages 3-5) and salmon less than or equal to 22 inches are defined as grilse salmon (age 2).

Klamath River Fall-Run Chinook

Klamath River fall-run Chinook salmon (KRFC) harvest allocations and natural spawning escapement goals are established by the PFMC. The KRFC harvest allocation between tribal and non-tribal fisheries is based on court decisions and allocation agreements between the various fishery representatives.

The 2016 KRFC in-river sport fishery allocation recommended by the PFMC is currently unknown. All proposed closures for adult KRFC are designed to ensure sufficient spawning escapement in the Klamath River Basin and equitably distribute harvest while operating within annual allocations.

Klamath River Spring-Run Chinook

The Klamath River System also supports Klamath River spring-run Chinook salmon (KRSC). Naturally produced KRSC are both temporally and spatially separated from KRFC in most cases.

Presently, KRSC stocks are not managed or allocated by the PFMC. The in-river sport fishery is managed by general basin seasons, daily bag limit, and possession limit regulations. KRSC harvest will be monitored on the Lower Klamath River in 2016 and ensuing years by creel survey.

KRFC Allocation Management

The PFMC 2015 allocation for the Klamath River System sport harvest was 14,133 adult KRFC. Preseason stock projections of 2016 adult KRFC abundance will not be available from the PFMC until March 2016. The 2016 basin allocation will be recommended by the PFMC in April 2016 and presented to the Commission for adoption prior to its April 2016 meeting.

For public notice requirements, the Department of Fish and Wildlife (Department) recommends the Commission consider an allocation range of 0 – 67,600 adult KRFC in the Klamath River Basin for the river sport fishery. This recommended range encompasses the historical range of the Klamath River Basin allocations and allows the PFMC and Commission to make adjustments during the 2016 regulatory cycle.

The Commission may modify the KRFC in-river sport salmon harvest allocation which is normally 15 percent of the non-tribal PFMC harvest allocation. Commission modifications need to meet biological and fishery allocation goals specified in law or established in the PFMC Salmon Fishery Management Plan otherwise harvest opportunities may be reduced in the California ocean fisheries.

The annual KRFC in-river harvest allocation is split into 4 geographic areas with subquotas assigned to each. They are as follows:

1. for the main stem Klamath River from 3,500 feet downstream of the Iron Gate Dam to the Highway 96 bridge at Weitchpec -- 17 percent of the sport fishery allocation;
2. for the main stem Klamath River from downstream of the Highway 96 bridge at Weitchpec to the mouth -- 50 percent of the sport fishery allocation;
3. for the Trinity River downstream of the Old Lewiston Bridge to the Highway 299 West bridge at Cedar Flat -- 16.5 percent of the sport fishery allocation; and
4. for the Trinity River downstream from the Denny Road bridge at Hawkins Bar to the confluence with the Klamath River -- 16.5 percent of the sport fishery allocation.

The spit area (within 100 yards of the channel through the sand spit formed at the Klamath River mouth) closes to all fishing after 15 percent of the total Klamath River Basin quota has been taken downstream of the Highway 101 bridge.

These geographic areas are based upon the historical distribution of angler effort and ensure equitable harvest of adult KRFC in the upper Klamath River and Trinity River. The subquota system requires the Department to monitor angler harvest of adult KRFC in each geographic area. All areas will be monitored on a real time basis except for the following:

Klamath River upstream of Weitchpec and the Trinity River: Due to funding and personnel reductions, the Department will be unable to deploy adequate personnel to conduct harvest monitoring in the Klamath River upstream of Weitchpec and in the Trinity River for the 2016 season. The Department has reviewed salmon harvest and run-timing data for these areas. Based on this review, the Department has developed a Harvest Predictor Model (HPM) which incorporates historic creel survey data from the Klamath River downstream of Iron Gate Dam to the confluence with the Pacific Ocean and the Trinity River downstream of Lewiston Dam to the confluence with the Klamath River. The HPM is driven by the positive relationship between KRFC harvested in the Lower and Upper Klamath River and the Trinity River. The HPM will be used by the Department to implement fishing closures to ensure that anglers do not exceed established subquota targets.

Current Sport Fishery Management

The KRFC in-river sport harvest allocation is divided into geographic areas and harvest is monitored under real time subquota management. KRSC in-river sport harvest is managed by general season, daily bag limit, and possession limit regulations.

The Department presently differentiates the two stocks by the following dates:

Klamath River

1. January 1 through August 14 - General Season KRSC.
For purposes of clarity, daily bag and possession limits apply to that section of the Klamath River downstream of the Highway 96 bridge at Weitchpec to the mouth.
2. August 15 to December 31 - KRFC quota management.

Trinity River

1. January 1 through August 31 – General Season KRSC.
For purposes of clarity, daily bag and possession limits apply to that section of the Trinity River downstream of the Old Lewiston Bridge to the confluence with the South Fork Trinity River.
2. September 1 through December 31 – KRFC quota management.

The daily bag and possession limits apply to both stocks within the same sub-area and time period.

Blue Creek Area Management

On April 17, 2015, the Commission adopted regulations to close the main stem Klamath River near the mouth of Blue Creek to reduce catch and release mortality in a thermal refuge area and protect late-fall-run Chinook salmon holding prior to entering Blue Creek. The closures were as follows:

1. From June 15 through September 14, the main stem Klamath River is closed to all fishing from 500 feet above the mouth of Blue Creek to ½ mile below the mouth of Blue Creek.
2. From September 15 through December 31, the main stem Klamath River is closed to all fishing within 500 feet of the mouth of Blue Creek.

The Commission's action was a precautionary conservation measure to provide maximum resource protection and ensure long term sustainability during a critical multi-year drought.

Proposed Changes

No changes are proposed for the general (KRSC) opening and closing season dates, and bag, possession and size limits.

No changes are proposed for the Klamath River spit area.

The following changes to current regulations are proposed:

KRFC QUOTA MANAGEMENT: Seasons, Bag and Possession Limits

For public notice requirements, a range of KRFC bag and possession limits are proposed until the 2016 Klamath River Basin quota is adopted. As in previous years, no retention of adult KRFC salmon is proposed for the following areas, once the subquota has been met.

The proposed open seasons and range of bag and possession limits for KRFC salmon stocks are as follows:

1. Klamath River - August 15 to December 31
2. Trinity River - September 1 to December 31
3. Bag Limit - [0-4] Chinook salmon – of which no more than [0-4] fish over 22 inches total length may be retained until the subquota is met, then 0 fish over 22 inches total length.
4. Possession limit - [0-12] Chinook salmon of which [0–12] fish over 22 inches total length may be retained when the take of salmon over 22 inches total length is allowed.

Necessity: The recommended ranges allow the Commission to make the final adjustments for alignment with the federal 2016 regulatory process. The final KRFC bag and possession limits will align with the final federal regulations to meet biological and fishery allocation goals specified in law or established in the PFMC Salmon Fishery Management Plan otherwise harvest opportunities may be reduced in the California ocean fisheries.

BLUE CREEK AREA MANAGEMENT

Members of the public approached the Commission at its December 10, 2015 hearing requesting removal of the existing closures around the mouth of Blue Creek. In response, the Commission directed the Department to add regulatory options for consideration concerning management of the Blue Creek area. The following option regarding the management of the Blue Creek area is being provided for Commission consideration and action.

Modify Existing Blue Creek Mouth Area Closure

This option would modify the regulations for the existing fishing closure on the Klamath River during the June 15 through September 14 period by reducing the distance closed downstream of the mouth of Blue Creek from ½ mile to 500 feet. The distance of the closure above the mouth of Blue Creek would remain at 500 feet. The regulations for the September 15

through December 31 fishing closure on the main stem Klamath River would not change. Local angling constituents and many fishing guides support this option with a closure distance of 500 feet.

Necessity: This Commission has been lobbied by local elected representatives by letter and testimony to consider reducing the existing closure area to provide more fishing opportunity in a historical popular fishing location. This option is provided for the Commission to consider potential approaches to craft a balanced compromise between maintaining resources protection while continuing limited fishing opportunities where allowable.

The Department and Yurok Tribe have been in collaboration designing a study to assess sport fishing hook and release mortality in the Blue Creek closure area. The final study design will need to incorporate the regulatory option selected (modified distance or status quo) in order to account for potential angler presence and fishing pressure in the study area.

OTHER

Other changes are proposed for clarity and consistency.

Benefits of the Proposed Regulations

It is the policy of this State to encourage the conservation, maintenance, and utilization of the living resources of the ocean and inland 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 this State to promote the development of local California fisheries in harmony with federal law respecting fishing and the conservation of the living resources of the ocean and inland 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. Adoption of scientifically-based Klamath River Basin salmon seasons, size limits, and bag and possession limits provides for the maintenance of sufficient populations of salmon to ensure their continued existence.

The benefits of the proposed regulations are conformance with federal law, sustainable management of Klamath River Basin fish resources, and promotion of businesses that rely on sport salmon fishing in the Klamath River Basin.

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

Authority: Sections 200, 202, 205, 215, 220, 240, 315 and 316.5, Fish and Game Code.

Reference: Sections 200, 202, 205, 215 and 316.5, Fish and Game Code.

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

None.

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

In-River Sport Fishing Economics Technical Report, National Oceanographic and Atmospheric Administration, National Marine Fisheries Service, September 2011.

(e) Public Discussions of Proposed Regulations Prior to Notice Publication:

A public meeting was held in conjunction with a Del Norte County Supervisors meeting January 12, 2016 in Crescent City California. The object of the meeting was to receive public, Tribal and County Supervisor input regarding regulatory options for the Blue Creek area of the mainstem Klamath River for consideration for 2016 Klamath River Basin sport fishing regulations.

The meeting was attended by approximately 30 members of the public, three Yurok Tribal representatives (including two council members), seven Department staff, four Del Norte County Supervisors, one Legislature representative, and one member of the Fish and Game Commission.

A number of alternatives for the Blue Creek area were recommended for consideration at the meeting including the following:

1. Status quo (retain closure).
2. Re-open with no restrictions
3. Modify the closure distance
4. Base a closure on either flow or temperature criteria

Near the conclusion of the meeting a show of hands was requested by the County Supervisors for support of the above options preferred by the audience. The Yurok Tribal representatives endorsed the status quo, several fishing guides supported complete re-opening, and the majority of the audience supported modifying the current closure distance of 1/2 mile downstream of Blue Creek, during June 15 to September 14, to 500 ft.

The last option (closure based on flow or temperature criteria) was not polled in the show of hands.

The conclusion of the meeting focused on a potential study of hooking mortality in the Blue Creek area which the Department and Yurok Tribe have been discussing. The public supports this effort and would like to be involved in any way possible.

IV. Description of Reasonable Alternatives to Regulatory Action:

(a) Alternatives to Regulation Change:

- i. The use of more liberal regulations for bag limits, possession limits and fishing methods. For KRFC salmon, more liberal regulations would be less desirable than those proposed because they could create risk of an intense fishery reaching or exceeding the quota in a very short time. Reaching the quota in a very short time could be damaging to the local economy. Exceeding the allowable harvest could be damaging to the KRFC salmon stocks.
- ii. Base any closures of the main stem Klamath River around the mouth of Blue Creek on either flow or temperature criteria. Currently there are no public real time flow or temperature gauges in the Blue Creek area, nor has there been flow or temperature standards developed which could be used to trigger such closures. Additionally, closing a small section of the river based on these standards is not consistent with other California river management or the goal of simplifying State fishing regulations.
- iii. Remove All Existing Blue Creek Area Closures
This alternative would remove all existing fishing closures on the main stem Klamath River near the mouth of Blue Creek. This alternative would not provide maximum resource protection and ensure long term sustainability during a critical multi-year drought.

(b) No Change Alternative:

The No Change Alternative would leave the current 2015 daily bag and possession limit regulations in place and would not conform to the PFMC Klamath River Basin quota for 2016. The change is necessary to continue appropriate harvest rates and an equitable distribution of the harvestable surplus.

The No Change Alternative for Blue Creek would keep in place the existing fishing closures on the main stem Klamath River near the mouth of Blue Creek between June 15 and December 31.

(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 statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed regulations are projected to have minor impact on the net revenues to local businesses servicing sport fishermen. If the 2016 KRFC quota is reduced, visitor spending may correspondingly be reduced and in the absence of the emergence of alternative visitor activities, the drop in spending could induce business contraction. However, this will not likely affect the ability of California businesses to compete with businesses in other states. The preservation of Klamath River salmon stocks is necessary for the success of lower and upper Klamath River Basin businesses which provide goods and services related to fishing. The proposed changes are necessary for the continued preservation of the resource and therefore the prevention of adverse economic impacts.

(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 proposed regulations range from no fishing of KRFC adult salmon to a normal Klamath River Basin salmon season. The Commission anticipates some impact on the creation or elimination of jobs in California. The potential employment impacts range from 0 to 45 jobs which are not expected to create, eliminate or expand businesses in California. The Commission anticipates impacts on the creation, elimination or expansion of businesses in California ranging from no impact to reduced revenues to approximately 30 businesses that serve sport fishing activities. However, the possibility of growth of businesses to serve substitute activities exists. Adverse impacts to jobs and/or businesses would be less if fishing of steelhead and grilse KRFC salmon is permitted than under a complete closure to all fishing. The impacted businesses are generally small

businesses employing few individuals and, like all small businesses, are subject to failure for a variety of causes. Additionally, the long-term intent of the proposed action is to increase sustainability in fishable salmon stocks and, consequently promoting the long-term viability of these same small businesses.

The Commission anticipates benefits to the health and welfare of California residents. Providing opportunities for a salmon sport fishery encourages a healthy outdoor activity and the consumption of a nutritious food.

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

The Commission does not anticipate any benefits to worker safety because the proposed action does not affect working conditions.

(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:

The regulatory amendments of subsections of Section 7.50 under consideration will set the 2016 Klamath River Basin salmon sport fishing regulations to conform to the PFMC fall-run Chinook allocation guidelines. The Klamath River Basin is anticipated to be open for sport salmon fishing at levels similar to the 2015 quotas; however the possibility of marine fishery area closures still exists. Ocean closures may in turn result in PFMC recommendations for Klamath River Basin sport salmon fishery closures for the take of adult salmon. Adverse or positive impacts to jobs and businesses will depend on the 2016 KRFC allocation ultimately adopted by the PFMC and the specific regulations promulgated by the Commission.

The proposed regulations present a range from 100 percent of last year's Klamath River Basin salmon season to 0 percent or no salmon fishing on adult Chinook salmon (greater than 22 inches) in 2016. Under all scenarios sport fishing will be allowed for steelhead and grilse fall-run Chinook salmon (2 year-old salmon 22 inches or less) regardless of PFMC regulations, thus any adverse impacts to businesses would be less severe than under a complete closure of fishing.

Based on a 2011 NMFS report on In-River Sport Fishing Economics of the Klamath River, under a normal season non-resident Klamath River sport salmon and steelhead anglers contribute about \$3,397,572 in direct expenditures, resulting in about \$4,108,977 (2015\$) in total economic output to California businesses. This revenue supports about 70 jobs in the State.

Table 1. Klamath Salmon and Steelhead Total Economic Output

Klamath Sport Fishing	Salmon	Steelhead	Total
Total Output	\$ 2,659,983	\$ 1,448,993	\$ 4,108,977
Labor Income	\$ 1,230,739	\$ 670,430	\$ 1,901,168
Jobs	45.3	24.7	69.9

The 2016 option for Blue Creek is a component of this economic assessment, but there is no fishery data for this area or a comparable surrogate fishery available. Although the Commission has received two letters from fishing guides that indicate their lost 2015 revenue in the range of \$15,000 to \$20,000 dollars (20 to 25 days) per guide, the impact of any Blue Creek option is inseparable from the full basin-wide economic assessment for annual Klamath River Basin salmon and steelhead fisheries.

Therefore, the Department is unable to determine whether there is an economic impact from the Blue Creek closures beyond the economic assessment discussed in the following sections on the creation/elimination of jobs in the state, the creation of new businesses or the elimination of existing businesses in the state, and the expansion of businesses currently doing business in the state.

Three adult salmon catch projections evaluated here are as follows: 100 percent of the 2015 Klamath River Basin adult salmon catch limit; 50 percent of the 2015 basin adult salmon catch limit; and 0 percent of the 2015 basin adult salmon catch limit.

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

Projection 1. 100 percent of the 2015 adult salmon catch limit: The Commission does not anticipate any adverse impacts on the creation or elimination of jobs, as the quotas would not decrease effort nor curtail the number of visitors and thus probable visitor expenditures in the fisheries areas.

An assumption of the NMFS report is that increases in expenditures by resident anglers associated with expanded fishing opportunities would be accommodated by reduced expenditures on other locally purchased goods and services – with no net change in local economic activity. For non-resident anglers, however, increases in local expenditures associated with increases in local fishing opportunities would be accomplished by diverting money that they would otherwise spend outside the local area. Thus the economic impact analysis focuses on non-resident angler expenditures, which represent ‘new money’ whose injection serves to stimulate the local economy.

The NMFS study excluded the Trinity River, the largest tributary to the Klamath. The Trinity River is allocated 33 percent of the Klamath River Basin fall-run Chinook salmon total allocation. Using the Trinity allocation as a measure of salmon angler effort, and thus impacts on associated businesses that support anglers, the total non-resident angler contribution to the entire Klamath River Basin (including the Trinity River) is estimated to be \$4,108,977 (2015\$) in total economic output. This revenue, again using a 33 percent increase to account for the Trinity River, provides an estimated total of 70 jobs in the State (assuming that personnel costs also rise with inflation). This is a conservative estimate of total economic impact as it counts only non-resident angler expenditures. Non-resident salmon or steelhead angler average expenditures are estimated to be \$107.42 (2015\$) per angler day (for lodging, food, gasoline, fishing gear, boat fuel, and guide fees) based on a NMFS sponsored survey. Resident average expenditures per angler day are estimated to be 60 percent less (markedly reduced lodging, gasoline and food expenditures) which yields an estimate of \$42.60 per angler day. Resident anglers comprise about 36 percent of Klamath River Basin anglers.

Projection 2. 50 percent of the 2015 adult salmon catch limit: The Commission anticipates some impact on the creation or elimination of jobs which is offset due the continued sport fishing allowed for steelhead and grilse fall-run Chinook salmon (2 year-old salmon 22 inches or less). A 50 percent salmon catch reduction will likely reduce visitor spending by slightly less than 50 percent, given price elasticities of demand for salmon fishing activity of less than one. As the “price” of fishing per unit catch increases the demand for fishing trips declines by a lesser extent, particularly in the short-run. While difficult to predict, job losses

associated with a 50 percent reduction in the salmon catch limit are expected to be less than half of the estimated total jobs supported by salmon angler visits (i.e. fewer than 23 jobs).

Projection 3. 0 percent of the 2015 adult salmon catch limit: In the event of fisheries closures in some or all Klamath River Basin areas, the Commission anticipates less than 50 percent reduction in fishery-related jobs. As mentioned earlier, sport fishing for steelhead and grilse fall-run Chinook salmon (2-year-old salmon less than 22 inches) will still be allowed, thus lessening any job losses. A closure on the take of adult Chinook salmon was instituted in 2006 and only steelhead and grilse salmon could be legally harvested that year. The effect of the 2006 closure, as measured by angler days on the Klamath River, resulted in an approximate 50 percent drop in angler days, compared to the 2000-2005 average (12,000 angler days vs. 23,300 angler days). Job creation or elimination tends to lag in adjustment to changes in consumer demand. Thus, the potential impacts of a closure on the take of adult Chinook are estimated to result in the loss of less than 45 jobs due to the continued sport fishing allowed for steelhead and grilse fall-run Chinook salmon (2 year-old salmon 22 inches or less).

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

Projection 1: 100 percent of the 2015 adult salmon catch limit: The Commission does not anticipate any impacts on the creation of new business or the elimination of existing businesses, as the quotas would not decrease effort nor curtail the number of visitors and thus probable visitor expenditures in the fisheries areas.

Projection 2. 50 percent of the 2015 adult salmon catch limit: The Commission anticipates a decline in visits to the fishery areas of less than 50 percent due the continued sport fishing allowed for steelhead and grilse fall-run Chinook salmon (2 year-old salmon 22 inches or less). This may result in some decline in business activity, but the Commission does not anticipate any impacts on the creation of new business or the elimination of existing businesses directly related to fishing activities. However, with less effort being expended on salmon fishing, the possibility of substitute activities and the growth of businesses to serve those activities exists.

Projection 3. 0 percent of the 2015 adult salmon catch limit: In the event of salmon fisheries closures in some or all Klamath River Basin areas, the Commission anticipates a decline in regional spending and thus reduced revenues to the approximately 30 businesses that serve sport fishing activities with unknown impacts on the creation of new business or the elimination of existing businesses. However adverse impacts will be mitigated by the continued opportunity to harvest steelhead and grilse salmon. Additionally, the long-term intent of the proposed action is to

increase sustainability in fishable salmon stocks and, consequently, the long-term viability of these same small businesses.

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

Projection 1. 100 percent of the 2015 adult salmon catch limit: The Commission does not anticipate any impacts on the expansion of businesses in California as the quotas would not increase effort nor increase the number of visitors and thus probable visitor expenditures in the fisheries areas.

Projection 2. 50 percent of the 2015 adult salmon catch limit: The Commission does not anticipate any impacts on the expansion of businesses in California. Decreases in expenditures by resident anglers associated with reduced fishing opportunities may be offset by increased expenditures on other locally purchased goods and services – with no net change in local economic activity. For non-resident anglers, however, decreases in local expenditures associated with decreases in local fishing opportunities may result in increases in other expenditures outside the Klamath River Basin area.

Projection 3. 0 percent of the 2015 adult salmon catch limit: In the event of salmon fisheries closures in some or all Klamath River Basin areas, the Commission does not anticipate any expansion of businesses in California. Decreases in expenditures by anglers associated with reduced fishing opportunities may be partially offset by increased expenditures on other locally purchased goods and services as visitors fish for steelhead, grilse salmon, or substitute salmon fishing with other recreational pursuits.

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

Under all projections, the Commission anticipates benefits to the environment in the sustainable management of Klamath River Basin salmonid resources. It is the policy of this State to encourage the conservation, maintenance, and utilization of the living resources of the ocean and inland 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 this State to promote the development of local California fisheries in harmony with federal law respecting fishing and the conservation of the living resources of the ocean and inland 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. Adoption of scientifically-based Klamath River Basin seasons, size limits, and bag and possession limits provides for the maintenance of sufficient populations of salmon and steelhead to ensure their continued existence.

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

Under all projections, the Commission anticipates benefits to the health and welfare of California residents. Providing opportunities for a Klamath River Basin sport salmon and steelhead fisheries encourages a healthy outdoor activity and the consumption of a nutritious food. Salmon and steelhead sport fishing also contributes to increased mental health of its practitioners as fishing is a hobby and form of relaxation for many. Salmon and steelhead sport fishing also provides opportunities for multi-generational family activities and promotes respect for California's environment by the future stewards of California's natural resources.

(f) Benefits of the Regulation to Worker Safety:

Under all projections, the Commission does not anticipate benefits to worker safety because the proposed regulations will not impact working conditions.

(g) Other Benefits of the Regulation:

Concurrence with Federal Law: California's salmon sport fishing regulations need to conform to the new Federal regulations to achieve optimum yield in California. The PFMC annually reviews the status of west coast salmon populations. As part of that process, it recommends west coast adult salmon fisheries regulations aimed at meeting biological and fishery allocation goals specified in law or established in the Salmon Fishery Management Plan. These recommendations coordinate west coast management of sport and commercial ocean salmon fisheries off the coasts of Washington, Oregon, and California and California inland sport salmon fisheries. These recommendations are subsequently implemented as ocean fishing regulations by the NMFS and as sport salmon regulations for State marine and inland waters by the Commission.

Informative Digest/Policy Statement Overview

The Klamath River System, which consists of the Klamath River and Trinity River basins, is managed through a cooperative system of State, federal, and tribal management agencies. Salmonid regulations are designed to meet natural and hatchery escapement needs for salmonid stocks, while providing equitable harvest opportunities for ocean sport, ocean commercial, river sport and tribal fisheries.

The Pacific Fishery Management Council (PFMC) is responsible for adopting recommendations for the management of sport and commercial ocean salmon fisheries in the Exclusive Economic Zone (three to 200 miles offshore) off the coasts of Washington, Oregon, and California. When approved by the Secretary of Commerce, these recommendations are implemented as ocean salmon fishing regulations by the National Marine Fisheries Service (NMFS).

The California Fish and Game Commission (Commission) adopts regulations for the ocean salmon sport (inside three miles) and the Klamath River System sport fisheries which are consistent with federal fishery management goals.

For the purpose of PFMC mixed-stock fishery modeling and salmon stock assessment, salmon greater than 22 inches are defined as adult salmon (ages 3-5) and salmon less than or equal to 22 inches are defined as grilse salmon (age 2).

Klamath River Fall-Run Chinook

Klamath River fall-run Chinook salmon (KRFC) harvest allocations and natural spawning escapement goals are established by the PFMC. The KRFC harvest allocation between tribal and non-tribal fisheries is based on court decisions and allocation agreements between the various fishery representatives.

The 2016 KRFC in-river sport fishery allocation recommended by the PFMC is currently unknown. All proposed closures for adult KRFC are designed to ensure sufficient spawning escapement in the Klamath River Basin and equitably distribute harvest while operating within annual allocations.

Klamath River Spring-Run Chinook

The Klamath River System also supports Klamath River spring-run Chinook salmon (KRSC). Naturally produced KRSC are both temporally and spatially separated from KRFC in most cases.

Presently, KRSC stocks are not managed or allocated by the PFMC. The in-river sport fishery is managed by general basin seasons, daily bag limit, and possession limit regulations.

KRFC Allocation Management

The PFMC 2015 allocation for the Klamath River System sport harvest was 14,133 adult KRFC. Preseason stock projections of 2016 adult KRFC abundance will not be available from the PFMC until March 2016. The 2016 Klamath River Basin allocation

will be recommended by the PFMC in April 2016 and presented to the Commission for adoption prior to its April 2016 meeting.

For public notice requirements, the Department of Fish and Wildlife (Department) recommends the Commission consider an allocation range of 0 – 67,600 adult KRFC in the Klamath River Basin for the in-river sport fishery.

Current Sport Fishery Management

The KRFC in-river sport harvest allocation is divided into geographic areas and harvest is monitored under real time subquota management. KRSC in-river sport harvest is managed by general season, daily bag limit, and possession limit regulations.

The daily bag and possession limits apply to both stocks within the same sub-area and time period.

Blue Creek Area Management

On April 17, 2015, the Commission adopted regulations to close the main stem Klamath River near the mouth of Blue Creek to reduce catch and release mortality in a thermal refuge area and protect late-fall-run Chinook salmon holding prior to entering Blue Creek. The Commission's action was a precautionary conservation measure to provide maximum resource protection and ensure long-term sustainability during a critical multi-year drought.

Proposed Changes

No changes are proposed for the general (KRSC) opening and closing season dates, and bag, possession and size limits.

The following changes to current regulations are proposed:

KRFC QUOTA MANAGEMENT: Seasons, Bag and Possession Limits

For public notice requirements, a range of KRFC bag and possession limits are proposed until the 2016 Klamath River Basin quota is adopted. As in previous years, no retention of adult KRFC salmon is proposed for the following areas, once the subquota has been met.

The proposed open seasons and range of bag and possession limits for KRFC salmon stocks are as follows:

1. Klamath River - August 15 to December 31
2. Trinity River - September 1 to December 31
3. Bag Limit - [0-4] Chinook salmon of which no more than [0-4] fish over 22 inches total length may be retained until the subquota is met, then 0 fish over 22 inches total length.
4. Possession limit - [0-12] Chinook salmon of which [0-12] fish over 22 inches total length may be retained when the take of salmon over 22 inches total length is allowed.

BLUE CREEK AREA MANAGEMENT

The following option is provided for public discussion, and Commission consideration and action.

Modify Existing Blue Creek Mouth Area Closure

This option would modify the regulations for the existing fishing closure on the Klamath River during the June 15 through September 14 closure period by reducing the distance closed below the mouth of Blue Creek from ½ mile to 500 feet. The distance of the closure above the mouth of Blue Creek would remain at 500 feet. The regulations for the September 15 through December 31 fishing closure on the main stem Klamath River would not change. Local angling constituents and many fishing guides support this option with a closure distance of 500 feet.

Other changes are proposed for clarity and consistency.

Benefits of the Proposed Regulations

The benefits of the proposed regulations are in conformance with federal law, sustainable management of Klamath River Basin salmonid resources, and promotion of businesses that rely on sport fishing in the Klamath River Basin.

The proposed regulations are neither inconsistent nor incompatible with existing State regulations. The Legislature has delegated authority to the Commission to promulgate sport fishing regulations (Sections 200, 202, 205, 315, and 316.5, Fish and Game Code). Commission staff has searched the California Code of Regulations and has found no other State regulations related to the sport fishing in the Lower Klamath River Basin.