ECONOMIC IMPACT STATEMENT

A. ESTIMATED PRIVATE SECTOR COST IMPACTS (Include calculations and assumptions in the rulemaking record.)

1. Check the appropriate box(es) below to indicate whether this regulation:

☐ a. Impacts businesses and/or employees
☑ b. Impacts small businesses
☐ c. Impacts jobs or occupations
☐ d. Impacts California competitiveness

☐ e. Imposes reporting requirements
☐ f. Imposes prescriptive instead of performance
☐ g. Impacts individuals
☐ h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

(If any box in items 1a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: 174 or less
Describe the types of businesses (include nonprofits): herring fishermen and a small number of in-state processors.

Enter the number or percentage of total businesses impacted that are small businesses: 100%

3. Enter the number of businesses that will be created: 0
eliminated: 0

Explain: See attached Initial Statement of Reasons (ISOR)

4. Indicate the geographic extent of impacts:
☐ Statewide
☑ Local or regional (List areas): San Francisco Bay and adjacent areas

5. Enter the number of jobs created: ________ or eliminated: ________
Describe the types of jobs or occupations impacted: See attached Initial Statement of Reasons (ISOR).

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes
☑ No
If yes, explain briefly: Proposed regulation will not increase costs to produce goods or services in California.

B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking record.)

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? $ See ISOR.

a. Initial costs for a small business: $_________
Annual ongoing costs: $_________ Years: ______

b. Initial costs for a typical business: $_________
Annual ongoing costs: $_________ Years: ______

c. Initial costs for an individual: $_________
Annual ongoing costs: $_________ Years: ______

d. Describe other economic costs that may occur: There are no increased costs or new fees, or new reporting requirements.

Depending on the harvest quota set by the Fish and Game Commission, the potential direct revenue increase could be from $627K to $2.4 million ex-vessel, relative to last season. These potential positive revenues could contribute $1.1 million to $4.2 million in increased total economic output to the State, relative to last year (due to the ripple effect and the summed direct, indirect, and induced affect on industry output). A zero quota could result in $1.2 million direct revenue losses and $2.1 million loss to economic output, relative to last season.
ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: n/a

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): $ n/a

4. Will this regulation directly impact housing costs? □ Yes ✓ No If yes, enter the annual dollar cost per housing unit: _______ and the number of units: _______

5. Are there comparable Federal regulations? □ Yes ✓ No Explain the need for State regulation given the existence or absence of Federal regulations: The California Legislature mandates sustainable resource management and provides the Fish and Game Commission authority to implement regulations toward that end. Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: $ n/a.

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: Benefits will accrue to fishermen, processors, and the State's economy in the form of a sustainable fishery and future harvestable herring populations. See attached ISOR.

2. Are the benefits the result of: □ specific statutory requirements, or ✓ goals developed by the agency based on broad statutory authority? Explain: The California Legislature mandates sustainable resource management and provides the Fish and Game Commission authority to implement regulations toward that end.

3. What are the total statewide benefits from this regulation over its lifetime? $ see ISOR

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No other option offers a better balance of environmental and biological safeguards, while minimizing long-term impacts to ongoing business enterprises.

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Benefit</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation</td>
<td>$ see ISOR</td>
<td>$ none</td>
</tr>
<tr>
<td>Alternative 1</td>
<td>Benefit</td>
<td>Cost</td>
</tr>
<tr>
<td>Alternative 2</td>
<td>Benefit</td>
<td>Cost</td>
</tr>
</tbody>
</table>

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

Future resource benefits and resource health are difficult to predict in light of other biological and environmental factors beyond Agency's control. Consequently, future benefits are sometimes difficult to monetize.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? □ Yes ✓ No

Explain:

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) CalEPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.
1. Will the estimated costs of this regulation to California business enterprises exceed $10 million? □ Yes □ No (If No, skip the rest of this section.)

2. Briefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:
   Alternative 1:
   Alternative 2:

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:
   Regulation: $_________________________ Cost-effectiveness ratio: $______________
   Alternative 1: $_________________________ Cost-effectiveness ratio: $______________
   Alternative 2: $_________________________ Cost-effectiveness ratio: $______________

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**FISCAL IMPACT STATEMENT**

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

   □ 1. Additional expenditures of approximately $______________ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
      a. is provided in ___________________________, Budget Act of _________ or Chapter ___________________________, Statutes of ________________
      b. will be requested in the ___________________________, Governor's Budget for appropriation in Budget Act of ___________________________

   □ 2. Additional expenditures of approximately $______________ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
      a. implements the Federal mandate contained in ___________________________
      b. implements the court mandate set forth by the ________________ court in the case of ____________________________ vs. ____________________________
      c. implements a mandate of the people of this State expressed in their approval of Proposition No. ____________________________ at the ________________ election;
      d. is issued only in response to a specific request from the ____________________________, which is/are the only local entity(s) affected;
      e. will be fully financed from the ____________________________ (FEES, REVENUE, ETC.) authorized by Section ________________ of the ____________________________ Code;
      f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;
      g. creates, eliminates, or changes the penalty for a new crime or infraction contained in ____________________________

□ 3. Savings of approximately $______________ annually.

□ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.
5. No fiscal impact exists because this regulation does not affect any local entity or program.

6. Other.

B. FISCAL EFFECT ON STATE GOVERNMENT (indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately $______________ in the current State Fiscal Year. It is anticipated that State agencies will:
   a. be able to absorb these additional costs within their existing budgets and resources.
   b. request an increase in the currently authorized budget level for the ______________ fiscal year.

2. Savings of approximately $______________ in the current State Fiscal Year.

3. No fiscal impact exists because this regulation does not affect any State agency or program.

Other. Depending on the option chosen by the Fish and Game Commission, a 5% or 10% herring quota could result in landing tax revenues of $80K to $151K, respectively, to the Department of Fish and Game.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS (indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately $______________ in the current State Fiscal Year.

2. Savings of approximately $______________ in the current State Fiscal Year.

3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.

4. Other.

FISCAL OFFICER SIGNATURE

AGENCY SECRETARY
APPROVAL/CONCURRENCE

DEPARTMENT OF FINANCE
APPROVAL/CONCURRENCE

PROGRAM BUDGET MANAGER

DATE 6/7/11

DATE 30 June 2014

1. The signature attests that the agency has completed the STD.399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

2. Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD.399.