STATE OF CALIFORNIA
FISH AND GAME COMMISSION
FINAL STATEMENT OF REASONS FOR REGULATORY ACTION

Amend Section 149 and Subsection (a) of Section 149.1
Title 14, California Code of Regulations
Re: Commercial Taking of Market Squid

I. Date of Initial Statement of Reasons: September 10, 2013

II. Date of Final Statement of Reasons: February 13, 2014

III. Dates and Locations of Scheduled Hearings:

(a) Notice Hearing: Date: November 6, 2013
Location: La Quinta, CA

(b) Discussion Hearing Date: December 11, 2013
Location: San Diego, CA

(c) Adoption Hearing: Date: February 5, 2014
Location: Sacramento, CA

IV. Update:

At its February 5, 2014 meeting, the Fish and Game Commission (Commission) 
adopted the regulations as recommended by the California Department of Fish 
and Wildlife (Department) including a maximum incidental take allowance of 10 
percent.
V. Summary of Primary Considerations Raised in Support of or Opposition to the Proposed Actions and Reasons for Rejecting Those Considerations:

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2. Request continuation of the 2-ton directed fishery after the closure of the squid quota.  
3. Provides copies of documents that contain the commercial market squid fishing regulations.  
4. The law that requires brail fishermen to sell their catch to only certain markets must be changed.  
5. The proposed regulations will cause significant economic harm.  
6. The California Environmental Quality Act (CEQA) requires a CEQA document if changing the law has the possibility of causing significant economic harm and if there is significant economic harm, it requires mitigation. | 1. This recommendation is outside the scope of this regulatory package, but may be considered in a future rulemaking package.  
2. The adopted regulations close the 2-ton directed fishery after the closure of the fishery due to attainment of the quota to help ensure the conservation and sustainable use of the squid resource and the ecosystems and species dependent upon a healthy squid resource. The environmental benefits outweigh the potential adverse economic impacts.  
3. Comment noted; however, the cited excerpt from the Market Squid Fishery Management Plan (MSFMP), Section 3, was superseded by the approved language for subsection 149(e)(2).  
4. This recommendation is |
outside the scope of this regulatory package. Section 8424 of the Fish and Game Code specifies qualifications for squid buyers.
5. As stated in the Economic Impact Assessment (EIA), compared to average after-season-closure landings over the past three years (2010-2013), the proposed regulatory change could result in the loss of ex-vessel fishing revenue of about $(726,000), and the potential loss of up to (8.0) jobs.
6. A public agency must comply with CEQA when it undertakes a project, which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment. An Environmental Impact Report must identify the significant effects on the environment of a project, identify alternatives to the project, and indicate the manner in which those significant (environmental)
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<td>effects can be mitigated or avoided.</td>
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<td>2 Gary Harden</td>
<td>Oral Testimony/ Letter, 11/6/2013</td>
<td>1. Request an immediate emergency year round 7 days a week opener for the scoop fleet. 2. Opposes closure of 2-ton fishery and wants to fish year round. 3. Scoop [Brail] permit holders are denied access to harvest during the only time squid float, approximately October 1 through April 1.</td>
<td>1. This recommendation is outside the scope of this regulatory package. Such a change would not qualify as an emergency under Section 240 of the Fish and Game Code. 2. See Response 1.2. 3. Comment noted. Brail fishermen have the opportunity, and are entitled, to fish during the open portion of the market squid season. In years when the quota is attained early, the fishery may close prior to the time squid “float”.</td>
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<td>4 Tom Durr</td>
<td>Oral Testimony/ Letter, 11/6/2013</td>
<td>1. Opposes closure of the 2-ton directed fishery. 2. Provides information regarding squid landings and an excerpt of the current regulations.</td>
<td>1. See Response 1.2. 2. Comments noted.</td>
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<td>5 Mike Kucura</td>
<td>Oral Testimony, 11/6/2013</td>
<td>1. States that the effect of this regulation will be great within the fishing community.</td>
<td>1. See Response 1.5. 2. See Response 1.2.</td>
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2. Support the Department's clarification of the 2 ton regulations.  
3. Supported weekend closures and Marine Protected Area (MPA) closures.                                                                 | 1. Comment noted. The seasonal catch limit is not proposed to be changed in this rulemaking package.  
2. Support noted. The adopted regulations clarify the 2-ton incidental take regulations.  
3. Comments noted. Weekend closures and MPA closures are not proposed to be changed in this rulemaking package. |
2. Supports 118,000 short tons max cap.  
3. Supports one market squid fishery quota  
4. Supports going to Notice.                                                                 | 1. Support noted. The adopted regulations clarify incidental landings after the fishery closure.  
2. Comment noted. Also see Response 6.1.  
3. Comment noted. Also see Response 1.1.  
4. Support noted.                                                                 |
| Mike Conroy            | Email, 12/02/2013          | 1. Supports the policy that an uncapped, unending two-ton directed fishery should not be allowed to continue after the close of the fishery.  
2. Supports a regulated, limited, directed post-closure two-ton fishery.                                                                 | 1. Support noted. The adopted regulations close the loophole that allowed the 2-ton directed fishery after the closure of the fishery.  
2. This recommendation is outside the scope of the proposed regulation.                                                                 |
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<td>fishery.                                                                                                                                  3. Opposes a separate brail allocation.</td>
<td>regulations, but may be considered in a future rulemaking package.</td>
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<td>4. Does not support the claim that brail fishermen are losing opportunity as a result of the fishery closing.</td>
<td>3. See Response 1.1.</td>
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<td>5 Does not view foreign built vessels as illegal provided they qualify under the ad-measurement protocols and are proper replacement vessels as defined in the California Code of Regulations (CCR).</td>
<td>4. Comment noted.</td>
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<td>5. Comment noted.</td>
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<td>9 Patrick Cavanaugh</td>
<td>Email, 12/2/2013</td>
<td>1. Agree and support the policy that an uncapped, unending two-ton directed fishery should not be allowed to continue after the close of the Commercial Squid Fishery. 2. Supports a regulated, limited, directed post-closure two-ton fishery is a viable option. 3. Opposes a separate brail allocation. 4. Does not view a foreign built vessel as illegal if it is in full compliance with all applicable laws, rules and regulations.</td>
<td>1. See Response 8.1. 2. See Response 8.2. 3. Comment noted. Also see Response 1.1. 4. Comment noted.</td>
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<td>Dave Franklin</td>
<td>Email, 12/3/2013</td>
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<td>Mike Weynands</td>
<td>Two emails, 12/5/2013</td>
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<td>Donald Brockman</td>
<td>Email, 12/5/2013</td>
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<td>Marc Ozimec</td>
<td>Email, 12/6/2013</td>
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<td>Joe Ferrigno</td>
<td>Email, 12/6/2013</td>
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<td>10 Joe Villareal</td>
<td>Email, 12/5/2013</td>
<td>1. Agree and support the policy that an uncapped, unending two-ton directed fishery should not be allowed to continue after the close of the Commercial Squid Fishery. 2. Supports a regulated, limited, directed post-closure two-ton fishery is a viable option. 3. Opposes a separate brail allocation.</td>
<td>1. See Response 8.1. 2. See Response 8.2. 3. Comment noted. Also see Response 1.1.</td>
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<td>Sal Tringali</td>
<td>Email, 12/6/2013</td>
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| 11 Tim Athens     | Email, 12/5/2013| 1. Opposes a separate brail allocation.  
2. Supports a brail fishery at some small daily tonnage level even if there has been 118,000 tons caught before April.                                                                                           | 1. Comment noted. Also see Response 1.1.  
2. See Response 8.2.                                                                                                                                                                                                                                               |
| 12 Mike Conroy    | Email, 12/6/2013| 1. Provides a document that includes images and descriptions of gear used in the brail fishery.                                                                                                                     | 2. Comments noted.                                                                                                                                                                                                                                               |
| 13 Mike Conroy    | Email, 12/9/2013| 1. Provides a copy of the attachment to his 12/6/2013 email.  
2. Provides a template of the form letter submitted by several fishermen  
3. Provides a copy of the attachment to his 12/2/2103 email,                                                                                                                                          | 1. Comment noted.  
2. See Responses 9.1-9.4  
3. See Responses 8.1-8.5                                                                                                                                                                                                                                           |
| 14 Zeke Grader    | Email, 12/10/2013| 1. States it was never the intent of the legislation to phase-out or eliminate the dip net fishery.  
2. States that there has been growth in the fishing capacity of individual purse seine vessels as a result of vessels being permitted to expand in size far beyond their original dimensions and the introduction of large, | 1. Comment noted.  
2. Comment noted. Outside the authority of the Department. Under inspection by the U.S. Coast Guard.  
3. Comment noted. Further analysis is needed to determine the cause of the annual quota being met early including environmental factors.                                                                 |
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<td>redundant Canadian built vessels using CF numbers to operate in the fishery. 3. States that the increase in fishing vessel capacity has caused the annual quota to be met early resulting in cessation of directed squid fishing for the remainder of the season. 4. Suggests that there should be a brail allocation. 5. Requests that these matters be discussed during the Marine Subcommittee.</td>
<td>4. See Response 1.1 5. This recommendation is outside the scope of this regulatory package.</td>
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<td>15 Phil Schenck</td>
<td>Oral Testimony/ Letter, 12/11/2013</td>
<td>1. States that closure of the 2-ton directed fishery will affect over 120 jobs. 2. States that the economic multiplier is 10. 3. Asks for documentation of the estimated economic impacts. 4. States that the proposed regulations do not define “incidental&quot; but expand &quot;incidental&quot;. 5. Opposes closure of 2-ton directed fishery. 6. Provides copy of Zeke</td>
<td>1. See Response 1.5. 2. Total economic output, total employee wages, and total employment multipliers are provided in the Economic Impact Assessment. 3. Economic impact calculations are included in the Economic Impact Assessment. 4. The adopted regulations clarify that “incidental&quot; take applies to squid taken incidentally when fishing for other species – similar to commercial fishing regulations</td>
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7. Provides copy of Tim Athens’ 12/5/2013 email.  
8. Provides an excerpt of Tom Durr’s 11/6/2013 written comments.  
9. States that a fish co-op is being opened and provides an article to substantiate the statement; states fresh squid will be a key to the success of the co-op.  
10. States that he needs fresh dead bait for the slope ground fishery. | in sections 120, 120.2, 125.1, 126, 155 and 163, Title 14, CCR. In addition, the adopted regulations restrict incidental take to an amount that (1) does not exceed 2 tons and (2) does not exceed 10 percent of the total volume of the fish landed or possessed.  
5. See Response 1.2.  
7. See Responses 11.1-11.2.  
8. See Responses 4.1-4.2.  
9 Comment noted.  
10. This recommendation is outside the scope of the proposed regulations; however, this topic may be addressed in a future rulemaking package. |
2. Supports allowing a regulated, directed, post-closure 2-ton fishery until the full seasonal catch limit has been taken. | 1. See Response 8.1.  
2. See Response 8.2. |
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<td>17 Danny Strunk</td>
<td>Oral</td>
<td>Testimony, 12/11/2013</td>
<td>1. States that the economic effect will be larger than stated by the Department. 2. Supports allowing a regulated, directed, post-closure 2-ton fishery until the full seasonal catch limit has been taken.</td>
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<td>18 Jen Eckerle</td>
<td>Oral</td>
<td>Testimony, 12/11/2013</td>
<td>1. Supports the closure of the directed 2-ton fishery. 2. Supports an incidental limit of between 5-10 percent. 3. Recommends that the entire catch, whether targeted catch or incidental take, should be counted toward the overall seasonal catch limitation.</td>
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| 20 Diane Pleschner-Steele| Oral Testimony/ Letter, 12/11/2013 | 1. Supports the Department’s recommendation that incidental take be set at 10 percent, not to exceed 2-tons.  
2. Supports the Department’s package as a whole.  
3. Supports framework of the FMP.  
4. Provided information on the market squid fishery and other “wetfish” fisheries. | 1. Support noted. The adopted regulations restrict incidental take to an amount that (1) does not exceed 2 tons and (2) does not exceed 10 percent of the total volume of the fish landed or possessed.  
2. Support noted. The Commission adopted the regulations as recommended by the Department.  
3. This comment is outside the scope of this regulatory package. The FMP is not a regulation.  
4. Comments noted.                                                                                                                                 |
| 21 Denny Corbin          | Email, 12/12/2013 Letter, 12/18/2013 | 1. Supports legalizing a targeted 2-ton per day fishery after the squid season has closed.  
2. Opposes closing the 2-ton directed fishery.  
3. States that the 118,000 ST limit should be increased. | 1. See Response 8.2.  
2. See Response 1.2.  
3. This recommendation is outside the scope of this regulatory package. Further analysis is needed to consider a change in the current seasonal catch limit. |
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2. Presents his own Economic Impact Analysis.  
3. Supports legalizing a targeted 2-ton per day fishery after the squid season has closed.  
4. Presents data on market squid landings.  
5. States that Brail fishermen target squid during and after spawning events.  
6. States that the Department is illegally issuing squid permits to foreign built vessels and provides excerpts from Department of Motor Vehicles website; Commercial Fishing Digest; Coastal Pelagic Species Fishery Management Plan, Amendment 10; 46 USC. | 1. See Response 1.2.  
2. See Response 1.5.  
3. See Response 8.2.  
4. Comments noted  
5. Comment noted. Also see Response 2.3.  
| Gary Harden       | Fax, 1/27/2014 | 1. States that brail fishermen lost opportunity to fish for squid due Canadian built vessels being allowed into the fishery illegally.  
2. States that the Squid Scoop (brail) Fleet has been denied their rights to harvest its share of the | 1. Comment noted. Also see Response 2.3.  
2. This comment is outside the scope of the proposed regulation. The brail fleet does not have a set "share" of the squid biomass. Also see Response 2.3. |
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<td>squid biomass.</td>
<td>3. See Response 14.2.</td>
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<td>3. States that California State agencies issued permits to falsified documents.</td>
<td>4. See Response 1.1.</td>
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<td>4. Requests a separate brail quota as mitigation for lost fishing opportunity.</td>
<td>5. This comment is outside the scope of the proposed regulations.</td>
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<td>5. Claims that fish markets participated in felony conspiracy/racketeering and discriminate against the scoop (brail) fishery.</td>
<td>6. This comment is outside the scope of the proposed regulations. Section 8428 of the Fish and Game Code authorizes the Commission to establish market squid permit fees.</td>
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<td>6. States that California Fish and Game illegally raised license fees to harvest squid.</td>
<td>7. This comment is outside the scope of the proposed regulation. The MSFMP is not a regulation.</td>
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<td>7. States that the FMP requires the Plan be adjusted due to increase in catch from 1000 tons/day to 4000 tons/day. Asks the Commission to investigate changes to the FMP.</td>
<td>8. This comment is outside the scope of the proposed regulation.</td>
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<td>8. Requests that permits should be seized and proceeds from illegal landings should be disbursed to the families of scoop permit holders who were denied their right to fish.</td>
<td>9. This comment is outside the scope of the proposed regulation. Weekend closures help ensure periods of uninterrupted spawning to provide protection for the resource.</td>
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<td>9. Requests that the Scoop (brail) fleet be allowed to fish seven</td>
<td>10. This comment is outside the scope of the proposed regulations. Also see response 14.2.</td>
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<td>11. It was never the intent, nor is it compatible with the</td>
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<td>days per week year-round. 10. Requests that the number of squid licenses and their gross tonnage limitations be investigated. 11. Claims that the 2-ton fishery law was written so the local community could enjoy the resources. 12 Requests that the quota be increased due to gross tonnage increases.</td>
<td>management goals of the MSFMP to have a two ton directed fishery occurring after the Seasonal Catch Limit has been reached. 12. See Response 21.3.</td>
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<td>Diane Pleschner-Steele</td>
<td>Oral Testimony/Letter, 2/5/2014</td>
<td>1. Supports the Department's recommendations. 2. Would like the MRC meeting to be moved closer to the fishery. 3. Support the 118,000 ton max cap. 4. Support a single fishery quota.</td>
<td>1. Support noted. The Commission adopted the regulations as recommended by the Department. 2. Comment noted. The location of the Marine Resources Committee meeting is not determined by regulation. 3. Comment noted. Also see response 6.1. 4. Comment noted. Also see response 1.1.</td>
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<td>Zeke Grader</td>
<td>Oral testimony, 2/5/2014</td>
<td>1. Would like the Department to look into the Fishery Management Plan. 2. The original FMP did not look</td>
<td>1. See Response 23.7. 2. Comment noted. Also see Response 1.1.</td>
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<td>into providing a market for a small fishery (brail). Two separate allocations might be a good suggestion.</td>
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VI. Location and Index of Rulemaking File:

A rulemaking file with attached file index is maintained at:
California Fish and Game Commission
1416 Ninth Street
Sacramento, California 95814

VII. Location of Department Files:

Department of Fish and Wildlife
1416 Ninth Street
Sacramento, California 95814

VIII. Description of Reasonable Alternatives to Regulatory Action:

(a) Alternatives to Regulatory Action:

No alternatives were identified.

(b) No Change Alternative:

The no change alternative would retain the existing regulatory loophole allowing directed fishing after the Seasonal Catch Limit has been reached.

(c) Consideration of Alternatives:

In view of information currently possessed, no reasonable alternative considered would be more effective in carrying out the purposes for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

IX. 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 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 continue to allow all actively permitted market squid vessels (vessel, light, and brail) to participate in a directed fishery for market squid during the commercial market squid season until the season closes. The proposed regulations close the loophole, which unintentionally allows directed fishing after the Seasonal Catch Limit has been reached. Allowing directed squid fishing after the season is closed can pose risk to the squid resource and the ecosystems that rely on it, while also creating an unfair market advantage for those who have availed themselves of the loophole in past seasons when the fishery closed early. In addition, the proposed regulations would set limits on the allowable take of squid caught incidentally in landings with other species.

Brail fishermen, like all squid permittees, will be authorized to fish for squid only up until the Seasonal Catch Limit has been reached. The proposed regulations clarify that when the fishery is closed, it is closed for all directed commercial squid fishing activity regardless of gear type. Impacts to individual fishing operations will vary, as some operations may maximize their squid fishing efforts early in the season, while others may not begin squid fishing activity until later in the season. Neither the MSFMP nor existing regulations establish allocations of squid between fishermen or fishery sectors to allow them to select desired fishing dates. Rather, the fishery operates on a single seasonal limit, which has been attained in only four seasons since the limit’s inception in 2001.

Under the proposed regulatory amendments, fishermen currently taking advantage of this loophole will no longer be able to take up to two tons of squid per day after the Seasonal Catch Limit has been reached unless it occurs incidentally to another fishery. Therefore the proposed regulation changes are not expected to result in significant statewide adverse economic impacts to businesses. Additionally, if the full seasonal catch limit is attained, there has likely been a great deal of economic success for at least some squid fishing operations and businesses. Market squid fishery permits of all gear types provide authorization to commercially fish for squid during the open season and time periods, but regulations do not provide more refined opportunities for some sectors, gears or individual vessels at the exclusion of others.
Depending on which option is chosen, limits on the percent composition of squid caught incidentally could result in impacts to aggregate ex-vessel revenue potential for the 36 fishermen affected. The estimated, per season aggregate revenue impacts resulting from a zero to 30 percent incidental take limit are $(804,000) to $(19,000), respectively. Disaggregating these estimates result in a projected average potential revenue impact of $(7,000) to $(200), respectively, per fishermen per season. (See Economic Impact Assessment, Calculations Worksheet).

Under the proposed regulations, limits on the percent composition of squid caught incidentally ranging from zero to 30 percent could result in statewide economic impacts of $(521,000) to $(13,000), respectively, in total economic output. (See Economic Impact Assessment, Calculations Worksheet). These estimates are on a per season basis, and represent the aggregate impact to all 36 fishermen potentially affected by incidental take limits on squid. In light of the entire landings taken by these fishermen, the zero to 30 percent limits would affect statewide economic output by about -2.1 percent to -0.1 percent, respectively. (See Economic Impact Assessment, Calculations Worksheet).

Overall, the ex-vessel fishing revenue of squid landings after the early season closure averaged only 1.10 percent of total seasonal squid landings ex-vessel fishing revenue from 2010-2013. When viewed as a percentage of landings using brail gear only, landings after the closure constituted a larger proportion of total landings for this gear type, averaging 31.82 percent over the last three years. Compared to average after-season-closure landings over the past three years (2010-2013), the proposed regulatory change to eliminate the two ton directed take of squid could result in the direct loss of ex-vessel fishing revenue of about $(726,000), indirect losses in the amount of $(76,000), and the potential loss of up to eight (8.0) jobs. (See Economic Impact Assessment, Calculations Worksheet). It is important to note that there are seasons when the squid fishery does not close early; therefore, the unintended directed fishery during the post-closure period would not occur during these seasons nor would associated income be earned.

The Commission recognizes that some individuals, vessels, and processing plants engaged in the market squid fishery have no other viable alternative fisheries available to them and that a decline or a loss of the market squid resource would cause economic losses to the individuals or corporations engaged in the market squid fishery. However the continued management of this marine resource through the
implementation of these regulations will serve to preserve the ongoing viability of market squid fisheries and associated businesses.

(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 significant adverse impacts on the creation or elimination of jobs, the creation of new businesses or the elimination of existing businesses, or the expansion of businesses in California. Depending on which option the Commission chooses, potential job losses range from 0.5 to 0.1 for an incidental take allowance from 5 percent to 30 percent, respectively; if the Commission decides not to allow incidental take of squid (zero allowance), then three jobs could be lost. These estimates are on a per season basis, and represent the aggregate impact arising from all 36 fishermen potentially affected by incidental take limits on squid. (See Economic Impact Assessment, Calculations Worksheet).

Up to eight jobs could be lost if the 2-ton directed fishery is eliminated in years when the fishery closes early. Estimated job losses are for the squid fishery; spending to businesses linked to fishery operations; and for businesses impacted by direct and intermediary employees’ spending. Thus, job losses would be shared across an array of associated businesses which would lessen adverse impacts to the viability of individual squid fishery businesses. Additionally, the overall economic effects of eliminating the 2-ton directed fishery are likely to be ameliorated by other revenue sources such as lighting or targeting other species. (See Economic Impact Assessment, Calculations Worksheet).

The Commission anticipates benefits to the environment in the sustainable management of the squid resource and benefits to species dependent upon a healthy squid resource.

The Commission anticipates generalized benefits to the health and welfare of California residents through the protection of the market squid population and the fish and wildlife resources that depend upon them. The Commission does not anticipate any benefits to worker safety because the proposed regulations will not impact worker 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:

The state may incur landings tax revenues losses. Depending on which option the Commission selects, the decreases in landings tax revenues could range from $5,500 to $6,900 per year. There will be no costs/savings in federal funding to the state.

(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
Updated Informative Digest/Policy Statement Overview

The Market Squid Fishery Management Plan (MSFMP) was developed under the provisions set forth by the Marine Life Management Act (MLMA) and sets goals and objectives to govern the conservation, sustainable use, and restoration of the market squid resource. Section 149, Title 14, California Code of Regulations (CCR), governs commercial market squid fishing activities off California, pursuant to the MSFMP.

Under current regulations, market squid is allowed to be landed commercially after the catch limit of 118,000 short tons has been reached so long as the amount does not exceed two tons within a calendar day or if the squid will be used for live bait. The regulation also provides for an incidental allowance of up to two tons per calendar day or per trip; however, “incidental” is not defined. The intent of this regulation was to allow for incidental take of market squid in other fisheries. It was never the intent, nor is it compatible with the management goals of the MSFMP to have a two ton directed fishery occurring after the Seasonal Catch Limit has been reached. The Department proposes to clarify regulations defining incidental take to ensure that after the season ends, market squid is only landed or possessed on a vessel incidental to the take of other species or for live bait purposes.

The following changes are proposed:

- Subsection 149(h): Modify language and broaden the scope of the regulation to specify that squid taken in violation of any commercial squid fishing law or regulation shall be forfeited to the Department. Also, the requirement that squid fishermen or buyers sign a release of property form is proposed to be repealed.

- Subsection 149(l): Modify the incidental take provisions specifying that incidentally taken squid shall meet the following criteria:
  1) The volume landed or possessed on a vessel cannot exceed two tons per trip;
  2) The amount of squid incidentally taken cannot exceed a specified percentage of the total volume of the fish landed or possessed on a vessel. The Department is proposing that the Commission consider an incidental take allowance ranging from 0 – 30 percent.

  The Department recommends establishing an incidental take allowance of 10 percent; however, the Commission may select an incidental take allowance within the range between 0 and 30 percent.

The following changes are also proposed to improve the organization, clarity and consistency of the regulations:
• Subsection 149(a): Add text referencing the existing permit requirements in Section 149.1 for vessels fishing for market squid, and to clarify that vessels taking or possessing squid incidentally or for live bait are not subject to these permit requirements.

• Subsections 149(a-i): Renumber each subsection due to the proposed addition of the new subsection 149(a).

• Subsection 149(i): Removal of “or to vessels pursuing squid for live bait purposes only” is proposed because the exemption of live bait is clarified in the proposed opening paragraph of the regulatory language.

• Subsection 149(k): Changes are proposed to clarify that operators and crewmembers on a permitted market squid vessel are exempt from the requirement to possess a Tidal Invertebrate Permit.

• Subsection 149(m): Clarify that squid taken for live bait must be used for that purpose and that take of live squid for bait is exempt from other requirements in Section 149, unless expressly specified.

• Subsection 149.1(a): Update cross reference to current subsection 149(g) to reflect renumbering of Section 149 subsections.

**Benefits of the Regulation**

The proposed regulatory action will benefit fishermen, processors, the State’s economy, and the environment by maintaining a healthy sustainable market squid fishery.

**Consistency with State Regulations**

The proposed regulations are neither inconsistent nor incompatible with existing state regulations. The proposed regulations are consistent and compatible with regulations concerning the commercial take of market squid in marine protected areas [subsection 632(b), Title 14, CCR] and with regulations concerning squid weighing provisions (sections 4470, 4471, 4472, Title 4, CCR). Commission staff has searched the California Code of Regulations and statutes and has found no other state regulations related to the take of market squid and no other state agency with authority to promulgate commercial squid fishing regulations.

*At its February 5, 2014 meeting, the Commission adopted the regulations as recommended by the Department, including a maximum incidental take allowance of 10 percent.*