Economic Impact Assessment

Amend Sections 1.91, 27.20, 27.25, 27.30, 27.35, 27.40, 27.45, 27.50, 27.51, 27.65, 28.26, 28.27, 28.28, 28.29, 28.48, 28.49, 28.54, 28.55, 28.56, 28.58 and 28.90, Title 14, California Code of Regulations
Re: Recreational Fishing Regulations for Federal Groundfish and Associated Species for Consistency with Federal Rules for 2015 and 2016

Recreational groundfish 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 that 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. Recreational fisheries spending, thus multiplies throughout the economy with the indirect and induced effects of the initial direct expenditure.

The adoption of scientifically-based regulations provides for the maintenance of sufficient populations of groundfish to ensure their continued existence and future groundfish sport fishing opportunities that in turn support the fishery economy. In a 2012 Fisheries Economics Report by the National Marine Fisheries Service, all marine recreational anglers trip-related and equipment expenditures 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 total economic output annually. This corresponds with about $630 million in total wages to Californians, which affects about 13,000 jobs in the State, annually. While the precise share of these expenditures attributed solely to groundfish anglers is not known, we do know that the groundfish fishery constitute a large share of the State’s recreational angler activity.

The proposed regulations will modify State recreational groundfish regulations to conform to federal rules. Currently, State regulations for groundfish provide for: season lengths, depth restrictions, size limits, bag limits, and retention allowances. 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 ([http://www.pcouncil.org/wp-content/uploads/F7a_Att4_15-16_GFSpexEIS_ElectricOnly_JUNE2014BB.pdf](http://www.pcouncil.org/wp-content/uploads/F7a_Att4_15-16_GFSpexEIS_ElectricOnly_JUNE2014BB.pdf)).

The Department of Fish and Wildlife (Department) is proposing the following regulatory changes to be consistent with Pacific Fishery Management Council recommendations for federal groundfish regulations in 2015 and 2016.
The proposed regulatory changes modify season or depth constraints in four of the five management areas (Mendocino, San Francisco, Central, and Southern). Season lengths are proposed to be extended by two months in the Mendocino Management Area, by one and a half months in the San Francisco Management Area, and by one month in the Central Management Area. The depth constraint in the Southern Management Area season is proposed to be increased from 50 fathoms to 60 fathoms.

The proposed regulations increase the bag limit for lingcod from two to three fish.

The estimated impact on angler trips by management area and the percent increase from the status quo is presented in Table 1. The economic impacts may be close to status quo; however, some increased revenues are expected, providing economic benefit to the greater community, particularly to the coastal communities in the Mendocino Management Area.

Table 1. Estimated Impact on Angler Trips by Management Area.

<table>
<thead>
<tr>
<th>Management Area</th>
<th>Impact on Angler Trips</th>
<th>Percent Increase over Status Quo</th>
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</thead>
<tbody>
<tr>
<td>Northern</td>
<td>Status Quo</td>
<td>Status Quo</td>
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<tr>
<td>Mendocino</td>
<td>Up to 3,484 more trips</td>
<td>Increase of approximately 57%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>Up to 9,790 more trips</td>
<td>Increase of approximately 18%</td>
</tr>
<tr>
<td>Central</td>
<td>Up to 12,546 more trips</td>
<td>Increase of approximately 11%</td>
</tr>
<tr>
<td>Southern</td>
<td>Status Quo*</td>
<td>Status Quo*</td>
</tr>
</tbody>
</table>

*A 10 fathom increase in depth is recommended, however economic effects of such an increase cannot be quantified.

Sport fishing business owners, boat owners, tackle store owners, boat manufacturers, vendors of food, bait, fuel and lodging, and others that provide goods or services to those that recreationally pursue groundfish off California may be positively affected to some degree from increases to business that may result under the range of proposed regulations. However, anticipated impacts may vary by geographic location. Additionally, economic impacts to these same businesses may result from a number of factors unrelated to the proposed changes to groundfish fishing regulations, including weather, fuel prices, and success rates in other marine recreational fisheries such as salmon and albacore.

**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.
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.

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.

Benefits of the regulation to the health and welfare of California residents

Providing increased fishing opportunities for groundfish encourages recreation, which can have a positive impact on the health and welfare of California residents. Groundfish taken in the sport fishery and later consumed may have positive human health benefits due to their concentration of omega III fatty acids.

Benefits of the regulation to worker safety

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

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 7050, Fish and Game Code). Benefits of the proposed regulations include increased fishing opportunity, along with the continuation of the reasonable and sustainable management of recreational groundfish resources and the protection of listed and special status species. Adoption of scientifically-based seasons, depth restrictions, and recreational bag limits provide for the maintenance of sufficient populations of groundfish to ensure their continued existence.

Other benefits of the regulation

Concurrence with Federal Law
The Pacific Fishery Management Council reviews the status of groundfish regulations biennially. As part of that process, it recommends regulations aimed at meeting biological and fishery allocation goals specified in law or established in the Groundfish Fishery Management Plan. These recommendations coordinate management of recreational and commercial groundfish in the 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 National Marine Fisheries Service.

California's sport fishing regulations need to conform to, or be more restrictive than, federal regulations to ensure that biological and fishery allocation goals are not exceeded.