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STATE OF CALIFORNIA
Edmund G. Brown Jr., Governor

Fish and Game Commission

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July 3, 2013

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TO ALL INTERESTED AND AFFECTED PARTIES:

This is to provide you with a copy of the revisions being made to the Notice of Proposed Rulemaking (OAL File Number Z-2013-0611-08) regarding the Commercial Herring Regulations, which was published in the California Regulatory Notice Register on June 21, 2013. The revisions affect the Economic Impact of Regulatory Action.

Sincerely,

Sheri Tiemann
Staff Services Analyst

Attachment

TITLE 14. Fish and Game Commission
Notice of Proposed Changes in Regulations

In the June 21, 2013 edition of the California Regulatory Notice Register (Register 2013, No. 25-Z, p. 914), the California Fish and Game Commission published a notice to amend sections 163 and 164, Title 14, CCR, regarding Commercial Herring Fishing. Revisions are being made to the Notice of Proposed Rulemaking (OAL File Number Z-2013-0611-08) as follows:

Impact of Regulatory Action/Results of the Economic Impact Analysis

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 Business, Including the Ability of California Businesses to Compete with Businesses in Other States:

The Department is providing the Commission analyses on three potential 2013-2014 quota options for San Francisco Bay ranging from zero to 10 percent of the 10-year average biomass estimate of 46,000 tons. The potential incremental changes to total State economic output for these three options, zero, 2,300, or a 4,600 ton quota, are $(3,784,000), $(659,000), and $2,473,000, respectively, relative to 2012-2013 season's 2,854 ton quota and the ex-vessel price/ton. Thus any quota over 2,854 tons could potentially generate incremental increases in ex-vessel landing revenues to the fishermen and increases to total economic output for the State. Conversely, an allowable quota less than 2,854 tons could result in adverse incremental impacts to Statewide economic output of $3,784,000 and $659,000 (in 2012 dollars), for zero and 2,300 ton 2013-2014 quotas, respectively. This is based on a total economic output multiplier of 1.899 used in calculating total economic output effects (direct, indirect, and induced) from California commercial herring fishery activity. There is a relationship between quota and economic impact which can be calculated for any quota amount by using the following formula:

[(Proposed Quota $) - (Prior Quota $)] x 1.8996 = "total economic output <u>impact</u> in $"

No adverse incremental economic impacts to businesses in California would occur under a quota allocation of 2,854 tons or more. Moreover, given the overriding market conditions for herring roe (declining demand overseas and lower prices), an allocation of 2,854 tons or more is not expected to affect the ability of California businesses to compete with businesses in other states.

No commercial herring fishing activity has taken place in Tomales Bay since 2007, in Humboldt Bay since 2005 and in Crescent City Harbor since 2002; thus no adverse incremental economic impacts to businesses would occur under a quota allocation of zero (0) to 30 tons, zero (0) to 60 tons, and zero (0) to 350 tons for Crescent City Harbor, Humboldt Bay, and Tomales Bay, respectively.

No adverse incremental economic impacts to fresh fish businesses in California would occur with a change to existing fresh fish regulations for herring.

(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