



September 16, 2016

SUBJECT: TRAP LIMIT PROGRAM DEPARTMENT ACCOUNTING

This annual accounting of the Dungeness Crab Trap Limit Program (DCTLTP) is provided pursuant to Section 8276.5(a)(4) of the Fish and Game Code: *The department shall annually provide an accounting of all costs associated with the crab trap limit program. The department shall use excess funds collected to reduce the cost of the crab trap limit permit fee or tag fee in subsequent years of the program.*

Following the adoption of the trap limit regulations in April 2013, the trap limit permit and buoy tag fees were collected and deposited into the dedicated Dungeness Crab Account of the Fish and Game Preservation Fund that was made available at the start of the 2013-2014 fiscal year (fiscal years begin July 1 and end June 30 the following year). Table 1 displays the current number of Dungeness crab permit holders in each tier for the 2015-17 biennial period as of June 2016.

Table1. Summary of permit holders for the 2015-17 biennial period of the DCTLTP as of June 2016.

Tier	Tags/permit	Number of Permit holders (Total 556)
1	500	59
2	450	54
3	400	57
4	350	55
5	300	55
6	250	167
7	175	114

Revenue deposited into the dedicated Dungeness Crab Account by fiscal year is summarized in Table 2. This revenue is generated by the permit, buoy tag, replacement tag and appeal fees. The Department's current accounting of costs by Program is shown in Table 3.

Table 2. Revenue generated by the permit, bouy tag, replacement tag and appeal fees

	FY 2012-13*	FY 2013-14	FY 2014-15	2015-16
Revenue by FY	\$481,376	\$1,072,849	\$1,387,194	\$61,143
Total Revenue Collected				\$3,002,562

*Program inception April 1, 2013

The following aspects of the program are funded by the DCTLTP: purchase and mailing of buoy tags by the License and Revenue Branch (LRB), Marine Region - one full-time Environmental Scientist (ES), who assists with management of the commercial fishery, and the Law Enforcement Division (LED) - enforcement of regulations. LED enforcement costs include dockside inspections, at-sea boat patrols utilizing both small and large patrol vessels, boat maintenance and fuel, compliance with the trap limit and

tagging requirements and administering waivers to collect other permit holder's traps under warranted conditions of vessel incapacitation. The next round of biennial fees will be collected at the start of the 2017 permitting year to fund Department costs during the 2017-18 and 2018-19 fiscal years.

LRB additionally corresponds with permit holders to collect fees and distribute permits, buoy tags and replacement tags. Marine Region staff participates on the Dungeness crab Task Force as an ex-officio member along with a member of LED staff, and provides follow-up support to the industry as a result of actions taken during the meetings. The Office of General Counsel is working on appeals and lawsuits as a result of the DCTLP and LRB staff are working on trap limit permitting tasks. This is the third year summary of accounting costs furnished by the Department since inception of the DCTLP.

Expenditures by activity from the Dungeness Crab Account are summarized below. Additional costs may be incurred as a result of Chapter 394, Statutes of 2015 (AB 164), which appropriates \$517,255 from the Dungeness Crab Account for a settlement in the legal case of Marilley v. Bonham (United States District 94 Court, Northern District of California, Case No. 11-cv-2418-DMR). On June 21, 2016, the 9th Cir. Court of Appeals reheard the Marilley case *en bane*, meaning the full court heard oral arguments after CDFW petitioned for reconsideration following the loss of its first appeal. At this time, CDFW is awaiting a decision. The judges do not have a time limit for their decision. The payment authorized by AB 164 will only be made if the appeal is unsuccessful.

Fiscal Year 2015-16			
		Balance As of 6/30/2016	\$ 1,371,000
		Revenue As of 6/30/2016	\$ 61,000
	Personal Services	Operating Expenses	Total Exp.
License and Revenue		\$ 44,046	\$ 44,046
Marine Staff	\$ 100,330	\$ 20,352	\$ 120,682
Law Enforcement	\$ 263,955	\$ 234,082	\$ 498,037
Total	\$ 364,285	\$ 298,480	\$ 662,765