

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

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), pursuant to the authority vested by Sections 713, 1050, 7071 and 8587.1 of the Fish and Game Code and to implement, interpret or make specific Sections 713, 1050, 7071, 7852.2, 7857, 7858, 8046, 8585.5, 8587.1, 8589.5, 8589.7, 9001 and 9001.5 of said Code, relating to Nearshore Fishery Permit, Nearshore Fishery Permit Gear Endorsements, and Deeper Nearshore Species Fishery Permit Transferability.

Informative Digest/Policy Statement Overview

Under current regulations (Section 150), only persons with a Nearshore Fishery Permit are allowed to take nearshore species (cabezon; California scorpionfish; California sheephead; kelp and rock greenlings; and, black-and-yellow, China, gopher, grass and kelp rockfishes). Transfer of Nearshore Fishery Permits is allowed on a two-for-one basis with the new permittee purchasing two permits, agreeing to retire one permit and fish using the other. The number of permits has declined 35 percent in the past 13 years and it's become very difficult to find two permits for sale in the same regional management area. The proposed regulations would change permit transfers to one-for-one making it easier for new permittees to get into the fishery as well as current permittees to retire. Additionally, the proposed regulations would standardize the transfer paperwork by changing from notarized letters from permit holders to a notarized application provided by the Department. The following is a summary of the changes proposed for Sections 150:

- Clarify that Nearshore Fishery Permit holders can only have one permit, regardless of the management area, at any time (Subsection 150(b))
- Add a requirement that the estate of a non-transferable Nearshore Fishery Permit shall immediately surrender the permit to the Department (Subsection 150(e)(5))
- Revise permit transfers (Subsection 150(g)(1-7)):
 - Allow for permit transfers on a one-for-one basis,
 - Change the paperwork from notarized letters to a notarized application,
 - Allow the estate of a deceased permittee two years to transfer the permit,
 - Require that the estate temporarily relinquish the permit until the transfer can be made, and
- Delay the transfer pending resolution of any criminal, civil and/or administrative action involving the current permittee.

- Change the process for appealing denial of a transfer from a two-step process to a one-step process (Subsection 150(m)(3)) whereby the person denied a transfer can appeal directly to the Commission within 60 calendar days of the Department's denial.

Under current regulations (Section 150.02), only persons who held a valid Deeper Nearshore Species Fishery Permit (for the take of black, blue, brown, calico, copper, olive, quillback and treefish rockfishes) during the immediately preceding permit year are eligible to obtain a permit for the following permit year. This has resulted in a permit moratorium that prohibits any new entrants into the fishery. The proposed regulation would allow new individuals to enter the fishery by obtaining a permit from an existing permit holder. Additionally, the proposed regulations would require completion of a notarized transfer application. The following is a summary of the changes proposed for Section 150.02:

- Establish permit transfer provisions (Subsection 150.02(j)):
 - Establish that all Deeper Nearshore Species Fishery Permits are transferable,
 - Establish a notarized application for the permit transfer,
 - Allow the estate of a deceased permittee two years to transfer the permit,
- Require that the estate temporarily relinquish the permit until the transfer can be made, and
- Delay the transfer pending resolution of any criminal, civil and/or administrative action involving the current permittee.
- Establish a permit transfer fee as specified in Section 705 (Subsection 150.03(d))

Current regulations (Section 150.03) allow persons with a Nearshore Fishery Permit to use trap gear with a Nearshore Fishery Gear Endorsement, which is transferable on a one-for-one basis. The proposed regulations would change the permit transfer requirement from notarized letters from the permit holder to a notarized application provided by the Department. The following is a summary of the changes proposed for Sections 150.0:

- Move the subsection 150.03(c)(5) requirement that a non-transferable Nearshore Fishery Gear Endorsement become null and void upon the death of the individual to holds the permit and propose to add that the estate of a non-transferable Nearshore Fishery Gear Endorsement holder shall immediately surrender the permit to the Department to Subsection 150.03(d)(6)
- Revise permit transfers (Subsection 150.03(d)) to:

- Change the paperwork from notarized letters to a notarized application,
- Allow the estate of a deceased permittee two years to transfer the gear endorsement,
- Require that the estate temporarily relinquish the gear endorsement until the transfer can be made, and
- Delay the transfer pending resolution of any criminal, civil and/or administrative action involving the current permittee.
- Change the process for appealing denial of a transfer from a two-step process to a one-step process (Subsection 150.03(h)(3)) whereby the person denied a transfer can appeal directly to the Commission within 60 calendar days of the Department's denial.

Current regulations (Section 705) establish a Nearshore Fishery Permit Transfer Fee of \$500. The proposed regulations would increase the permit transfer fee to a range of \$1,000 to \$2,500 and also establish a transfer fee in the range of \$1,000 to \$2,500 for the Deeper Nearshore Species Fishery Permit. The proposed regulations would also include reference to the proposed Nearshore Fishery Permit and Nearshore Fishery Trap Endorsement Transfer Application (DFW 1045) and the proposed Deeper Nearshore Species Fishery Permit Transfer Application (DFW 1048).

Additional minor changes are proposed to correct grammatical errors and remove section references to Title 14, CCR, to improve clarity and standardize regulatory format.

BENEFITS OF THE PROPOSED REGULATIONS

The proposed regulatory action will benefit fishermen, processors, and the State's economy by maintaining a healthy sustainable fishery, and ensuring future harvestable nearshore populations.

CONSISTENCY WITH STATE REGULATIONS

The proposed regulations are neither inconsistent nor incompatible with existing State regulations. Section 20, Article IV, of the State Constitution specifies that the Legislature may delegate to the Fish and Game Commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. The Legislature has delegated to the Commission the power to regulate the commercial take of nearshore species (Section 8587.1, Fish and Game Code). The Commission has reviewed its own regulations and finds that the proposed regulations are neither inconsistent nor incompatible with existing State regulations. The Commission has searched the California Code of Regulations and finds no other State agency regulations pertaining to the commercial take of nearshore fish stocks.

NOTICE IS GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Resources Building Auditorium, First Floor, 1416 Ninth Street, Sacramento, California, on Thursday, August 16, 2017 at 8:00 a.m., or as soon thereafter as the matter may be heard.

NOTICE IS ALSO GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the SpringHill Suites by Marriott, 900 El Camino Real, Atascadero, California, on Thursday, October 12, 2017, at 8:00 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before 5:00 p.m. on September 28, 2017 at the address given below, or by email to FGC@fgc.ca.gov. Written comments mailed, or emailed to the Commission office, must be received before 12:00 noon on October 6, 2017. All comments must be received no later than October 12, 2017, at the hearing. If you would like copies of any modifications to this proposal, please include your name and mailing address.

Availability of Documents

The Initial Statement of Reasons, text of the regulations, as well as all related documents upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representative, Valerie Termini, Executive Director, Fish and Game Commission, 1416 Ninth Street, Box 944209, Sacramento, California 94244-2090, phone (916) 653-4899. Please direct requests for the above mentioned documents and inquiries concerning the regulatory process to Valerie Termini or Sheri Tiemann at the preceding address or phone number. **Traci Larinto, Senior Environmental Specialist, Marine Region, Department of Fish and Wildlife, has been designated to respond to questions on the substance of the proposed regulations. Ms. Larinto can be reached at (562) 355-7061 or Traci.Larinto@wildlife.ca.gov.** Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulation in underline and strikeout can be accessed through our website at <http://www.fgc.ca.gov>.

Availability of Modified Text

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to date of adoption. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

Impact of Regulatory Action/Results of the Economic Impact Assessment

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:

Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

- (a) 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 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 because the proposed changes are not expected to reduce the number of fishermen active in the fishery, nor the number of trips or harvest quantities.

- (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 any impacts on the creation or elimination of jobs, the creation of new business, the elimination of existing businesses or the expansion of businesses in California because the proposed changes are not expected to reduce the number of fishermen active in the fishery, nor the number of trips or harvest quantities.

The proposed regulatory action will benefit fishermen, processors, and the State's economy by maintaining a healthy sustainable fishery, and ensuring future harvestable nearshore populations.

The Commission does not anticipate any benefits to the health and welfare of California residents, worker safety, or the environment.

- (c) **Cost Impacts on a Representative Private Person or Business:**

The Commission anticipates cost impacts ranging from \$1,000 to \$2,500 per permit transfer 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 Department anticipates revenue in the range of \$4,200 - \$63,000 annually to recover the costs of administering one to fifteen for each nearshore and deeper nearshore permit transfers per year. The proposed action is not

anticipated to affect any other State Agency or 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

Effect on Small Business

It has been determined that the adoption of these regulations may affect small business. The Commission has drafted the regulations in Plain English pursuant to Government Code Sections 11342.580 and 11346.2(a)(1).

Consideration of Alternatives

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

FISH AND GAME COMMISSION

Dated: July 18, 2017

Valerie Termini
Executive Director