ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME: Fish and Game Commission
CONTACT PERSON: Margaret Duncan
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TELEPHONE NUMBER: 916 653-4674

A. ESTIMATED PRIVATE SECTOR COST IMPACTS
   Include calculations and assumptions in the rulemaking record.

1. Check the appropriate box(es) below to indicate whether this regulation:
   (☒ a. Impacts business and/or employees
   ☐ b. Impacts small businesses
   ☐ c. Impacts jobs or occupations
   ☐ d. Impacts California competitiveness
   ☐ e. Imposes reporting requirements
   ☐ f. Imposes prescriptive instead of performance
   ☐ g. Impacts individuals
   ☐ h. None of the above (Explain below):

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

Fish and Game Commission estimates that the economic impact of this regulation (which includes the fiscal impact) is:

☒ Below $10 million
☐ Between $10 and $25 million
☐ Between $25 and $50 million
☐ Over $50 million [If the economic impact is over $50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]

2. The ☐ [Agency/Department] estimates that the economic impact of this regulation (which includes the fiscal impact) is:
   ☒ Below $10 million
   ☐ Between $10 and $25 million
   ☐ Between $25 and $50 million
   ☐ Over $50 million [If the economic impact is over $50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]

3. Enter the total number of businesses impacted: 8

   Describe the types of businesses (Include nonprofits): Commercial box crab permit holders

4. Enter the number or percentage of total businesses impacted that are small businesses: 100%

5. Enter the number of businesses that will be created: 0 eliminated: 0
   Explain: 8 permit holders are currently active in this experimental fishery & no more than 8 valid permits will be allowed at any one time.

6. Enter the number of jobs created: 0 and eliminated: 0
   Describe the types of jobs or occupations impacted: N/A

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ YES ☒ NO
   If YES, explain briefly:

Instructions and Code Citations: SAM Section 6601-6616
ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS  Include calculations and assumptions in the rulemaking record.

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? $ 35,902
   a. Initial costs for a small business: $4,487.75  Annual ongoing costs: $4,487.75  Years: 1
   b. Initial costs for a typical business: $4,487.75  Annual ongoing costs: $4,487.75  Years: 1
   c. Initial costs for an individual: $N/A  Annual ongoing costs: $N/A  Years: 1
   d. Describe other economic costs that may occur: This regulatory action enables the continuation of an existing experimental fishery for eight permit holders.

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. $N/A

4. Will this regulation directly impact housing costs? ☒ YES  ☑ NO
   If YES, enter the annual dollar cost per housing unit: $ ________________

5. Are there comparable Federal regulations? ☑ YES  ☐ NO
   Explain the need for State regulation given the existence or absence of Federal regulations: Fish and Game Code Section 7090 and Section 1022

   Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: $N/A

C. ESTIMATED BENEFITS  Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: The proposed regulations will ensure that existing box crab permit holders can continue to collect data to enable the evaluation of the viability of a box crab fishery that will inform future management strategies for this emerging fishery.

2. Are the benefits the result of: ☑ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?
   Explain: CA Assembly Bill (AB) 1573, California Fisheries Innovation Act of 2018 and Fish and Game Code Section 1022

3. What are the total statewide benefits from this regulation over its lifetime? $ 254,826 / year

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None anticipated

D. ALTERNATIVES TO THE REGULATION  Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No alternatives were identified by or brought to the attention of the Commission staff that would have the same desired regulatory effect.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Benefit</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$254,826</td>
<td>$35,902</td>
</tr>
<tr>
<td>Alternative 1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Alternative 2</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: This regulatory action enables the continuation of an existing experimental fishery.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?  

   • YES  
   • NO 

   Explain: No new technologies or equipment are specified with this regulatory action.

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E. MAJOR REGULATIONS  Include calculations and assumptions in the rulemaking record.

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises exceed $10 million?  
   • YES  
   • NO

   If YES, complete E2. and E3  
   If NO, skip to E4

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

   Alternative 1:__________________________________________
   Alternative 2:__________________________________________

   (Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Total Cost</th>
<th>Cost-effectiveness ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>Alternative 1</td>
<td>$__________</td>
<td>$__________</td>
</tr>
<tr>
<td>Alternative 2</td>
<td>$__________</td>
<td>$__________</td>
</tr>
</tbody>
</table>

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding $50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?  

   • YES  
   • NO

   If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

   The increase or decrease of investment in the State:________________________________________

   The incentive for innovation in products, materials or processes:________________________________________

   The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state’s environment and quality of life, among any other benefits identified by the agency:________________________________________
FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT  
Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ __________________________

☐ a. Funding provided in 
__________________________________________________________

Budget Act of __________________ or Chapter ___________ , Statutes of ________________

☐ b. Funding will be requested in the Governor’s Budget Act of

__________________________________________________________

Fiscal Year: ________________

☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ __________________________

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

☐ a. Implements the Federal mandate contained in 
__________________________________________________________

☐ b. Implements the court mandate set forth by the 
__________________________________________________________ Court.

Case of: ____________________ vs. ____________________

☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No.

__________________________________________________________

Date of Election: ____________________

☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: ________________________________________

☐ e. Will be fully financed from the fees, revenue, etc. from:

__________________________________________________________

Authorized by Section: ____________________ of the ____________________ Code;

☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in

__________________________________________________________

☐ 3. Annual Savings. (approximate)

$ __________________________

☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

☐ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

☐ 6. Other. Explain

__________________________________________________________
FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT  
Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ ____________________________

It is anticipated that State agencies will:

☐ a. Absorb these additional costs within their existing budgets and resources.

☐ b. Increase the currently authorized budget level for the __________________________ Fiscal Year.

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ ____________________________

☐ 3. No fiscal impact exists. This regulation does not affect any State agency or program.

☐ 4. Other. Explain

The establishment of a box crab permit fee of $4,487.75 is anticipated to enable the CA Department of Fish and Wildlife to collect revenue for up to eight permits per year over the next three years. Estimate: $4,487.75 x 8 permits = $35,902 per year X 3 years = $107,706

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS  
Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.

☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ ____________________________

☐ 2. Savings in the current State Fiscal Year. (Approximate)

$ ____________________________

☐ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

☐ 4. Other. Explain

FISCAL OFFICER SIGNATURE

Original signature on file 7/16/19

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY

Original signature on file 7/23/19

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.
STD. 399 Addendum

Add Chapter 5.6, Section 90; and Add Section 704, Title 14, California Code of Regulations
Re: Experimental Fishing Permit Program (Phase 1)

Economic Impact Statement

C. Estimated Benefits

Answer 3:

The continuation of the experimental box crab fishery is anticipated to provide approximately $254,826 in total economic output throughout the state marine economy. The state marine economy consists of two industry sectors: 1) fishing operations, transport, and support and; 2) seafood sales, and processing. These sectors include several different marine-related industries: commercial harvesters, seafood processors and dealers, seafood wholesalers and distributors, and retail seafood sales.

The total economic output is derived by first determining the ex-vessel value of the box crab fishery by multiplying the harvest quota of 36,000 pounds times the average market price of $3.97 per pound. The additional value generated from the direct ex-vessel value is estimated with output multipliers to derive the indirect and induced impacts that are summed in the total economic output value.

Output multipliers reflect the incremental re-spending of a specific initial direct expenditure. Direct expenditures are received by supporting businesses who then spend all or a portion of that revenue on additional goods or services. The second-tier business spending is characterized as indirect impacts. Business spending on wages that is received by workers who then spend that income is characterized as induced impacts. Commercial harvest value thus multiplies throughout the economy with the indirect and induced impacts of the initial direct expenditure.

Fiscal Impact Statement

A. Fiscal Effect on Local Government

Answer 5. No fiscal impact exists. This regulation does not affect any local entity or program.

B. Fiscal Effect on State Government

Answer 4. Other.
The establishment of a box crab experimental fishing permit (EFP) fee of $4,487.75 is anticipated to enable the California Department of Fish and Wildlife (Department) to collect revenue for up to eight permits per year over the next three fiscal years from 2019/20, 2020/21 and 2021/22.

**Department Revenue Estimate:** $4,487.75 x 8 permits = $35,902 per year x 3 years = $107,706 Total

**Determination of Program Fees.**
The Department has a duty to recover all reasonable implementation and administrative costs pursuant to Fish and Game Code subdivisions 1022(g) and 1050(e) (see Table 1). Section 704, Title 14, CCR will stipulate the box crab EFP fee pursuant to Fish and Game Code subdivision 1022(g) that authorizes the Commission to charge a fee as necessary to fully recover, but not exceed, all reasonable implementation and administrative costs of the Department and Commission related to the EFP.

The box crab EFP program is a multi-year research collaboration developed and funded by the Department, California Ocean Protection Council, Resources Legacy Fund, and interested commercial trap fishermen for the purpose of collecting biological information and exploring a new directed fishery for box crab. The Department has estimated the annual reasonable Department costs related with administering and implementing this EFP program, including cost-sharing and participant contributions (Table 1). Several parameters were used to calculate the costs to the Department, including staff time, travel and meetings, and enforcement. Because the Department’s Marine Region has management interest in investigating the feasibility of a box crab fishery, some of the cost of developing and managing the box crab EFP program would be shared by the Department by means of excluding the Marine Region’s permanent staff time from the overall Department costs as shown in Table 1. The remaining annual cost of the EFP program to be shared by program participants (i.e., permit holders) amounts to $35,902 (for eight box crab permits), which yields a final permit fee of $4,487.75. This permit fee is specified in subsection 704(a)(1), Title 14, CCR of the proposed regulations, and is subject to an annual adjustment pursuant to Fish and Game Code Section 699 (stated in subsection 704(b), Title 14, CCR of the proposed regulations). The proposed regulations are necessary to recover all reasonable implementation and administrative costs relating to the box crab EFP, consistent with Fish and Game Code subdivision 1022(g).
### Table 1. Box Crab Permit Fee Determination

**Annual Department Costs** for 8 Box Crab Permits

<table>
<thead>
<tr>
<th>ENFORCEMENT</th>
<th>Hours</th>
<th>Rate ($/hr)</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patrol Vessel</td>
<td>91</td>
<td>$196</td>
<td>$17,836</td>
</tr>
<tr>
<td>Overhead</td>
<td></td>
<td></td>
<td>$4,337.72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$22,173.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LICENSE &amp; REVENUE BRANCH (LRB)</th>
<th>Hours</th>
<th>Rate ($/hr)</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit Administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff service analyst (SSA)</td>
<td>40</td>
<td>$31.45</td>
<td>$1,258</td>
</tr>
<tr>
<td>Program technician (PT)</td>
<td>2</td>
<td>$23.15</td>
<td>$46</td>
</tr>
<tr>
<td>Staff services manager (SSMI)</td>
<td>8</td>
<td>$44.64</td>
<td>$357</td>
</tr>
<tr>
<td>Staff services manager III (SSMIIII)</td>
<td>4</td>
<td>$54.45</td>
<td>$218</td>
</tr>
<tr>
<td><strong>Total Salary/Wages</strong></td>
<td></td>
<td></td>
<td>$1,879</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td></td>
<td></td>
<td>$991</td>
</tr>
<tr>
<td><strong>Subtotal Personnel</strong></td>
<td></td>
<td></td>
<td>$2,870</td>
</tr>
<tr>
<td>Overhead</td>
<td></td>
<td></td>
<td>$698.03</td>
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<tr>
<td><strong>LRB Total</strong></td>
<td></td>
<td></td>
<td>$3,568</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGION 7 - MARINE</th>
<th>Hours</th>
<th>Rate ($/hr)</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Environmental Scientist (salary + benefits)</td>
<td>1,330</td>
<td>$58.69</td>
<td>$78,047</td>
</tr>
<tr>
<td>Temporary Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scientific Aid (Santa Barbara)</td>
<td>145</td>
<td>$15.53</td>
<td>$2,252</td>
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<tr>
<td>Scientific Aid (San Diego)</td>
<td>195</td>
<td>$15.53</td>
<td>$3,028</td>
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<tr>
<td>Temporary Staff Benefits</td>
<td></td>
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<td>$2,892</td>
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<tr>
<td><strong>Subtotal Temp Help</strong></td>
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</tr>
<tr>
<td>Overhead</td>
<td></td>
<td></td>
<td>$1,988</td>
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<tr>
<td><strong>Temp Help Total</strong></td>
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<td></td>
<td>$10,160</td>
</tr>
<tr>
<td>Total Annual Cost for 8 Permits (less Region 7 permanent staff)</td>
<td></td>
<td></td>
<td>$35,901.99</td>
</tr>
<tr>
<td><strong>Cost per Permit</strong></td>
<td></td>
<td></td>
<td>$4,487.75</td>
</tr>
</tbody>
</table>

Sources: California Department of Fish and Wildlife (Department) Law Enforcement, License and Revenue Branch, and Marine Region; 2018-19 California Department of Human Resources salary schedule, 2018-19 Department benefit and overhead rates.

Notes:
1. In addition to Department costs, the box crab EFP program is supported by grants from the California Ocean Protection Council, Resources Legacy Fund, California Sea Grant, and National Oceanic and Atmospheric Administration Saltonstall-Kennedy Grant Program.
2. As the Department's share of the cost, it will not be reimbursed for the Marine Region’s permanent staff time to oversee the EFP program through the receipt of the permit fee.
3. The permit fee is an annual cost-share amount for each EFP program participant (i.e., permit holder). The box crab permit fee was derived from the Department costs (minus the Marine Region’s salary and benefits for permanent staff) divided by the number of permits approved by the Commission and issued by the Department in December 2018 (i.e., eight permits).
C. Fiscal Effect on Federal Funding of State Programs

Answer 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.