

DEPARTMENT OF
FINANCE

INTERNAL MEMORANDUM

Date: September 16, 2019

To: Teresa Calvert, Assistant Program Budget Manager
Sergio Aguilar, Principal

From: Millie Yan, Finance Budget Analyst

Subject: Proposed Regulation for the Department of Fish and Wildlife's Dungeness Crab Trap Gear Removal Program

Recommendation: Approve/sign. This STD 399 provides a reasonable estimate of the fiscal and economic impacts associated with the proposed regulations.

Summary: The Legislature, through Chapter 985, Statutes of 2018, required the Department of Fish and Wildlife to establish the Dungeness Crab Trap Gear Removal Program, to retrieve lost or abandoned trap gear in California waters, which would reduce the risk of whale entanglements, other threats to marine life, and navigation hazards. The proposed regulations establish procedures to become retrieval permittees and designated retrievers, the structure for trap gear retrieval operations, documentation/reporting requirements, retriever application/amendment fees, the reimbursement amount from the Department to retrieval permittees in the instance a trap/gear owner refuses to pay a retrieval permittee for recovering their traps, and Department trap fees to recover the aforementioned reimbursements from Dungeness crab vessel permit holders who do not pay a retriever's trap fees.

Economic Impacts: The regulations unit reviewed the package and opined the Department appropriately estimated the economic impacts of the program. The total statewide dollar costs that businesses may incur to comply with the regulation over one year is \$1,579,640. Depending on whether a trap owner pays retriever's a trap fee for the return of traps/gear or pays the Department its trap fee, the regulation costs a single business owner between \$1,400 and \$5,468. The proposed regulations impact 470 businesses, all of which are small businesses in coastal Northern and Central California. No jobs will be eliminated and a small number of jobs for part-time, temporary gear retrieval work is anticipated. The benefits of this regulation are reduced marine life entanglements and decreased navigation hazards, estimated to be \$1.8 million.

Fiscal Impacts: The program imposes no local government mandate nor fiscal impact, unless a local jurisdiction voluntarily engages as a gear retriever. In this instance, costs are not state reimbursable. State fiscal impacts include \$20,000 in staff resources used for regulation development. This was absorbed in the Department's current year budget. The Department also recovers all reasonable costs, pursuant to Fish and Game Code Section 1050(e), for issuing retrieval permits and per-trap recovery fees levied on trap/gear owners. Respectively, these fees are \$377.75 for permit applications, \$102.75 for permit amendments, and \$408.50 for Department trap fees.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**SAM Section 6601-6616

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Department of Fish and Wildlife	CONTACT PERSON Margaret Duncan margaret.duncan	EMAIL ADDRESS @wildlife.ca.gov	TELEPHONE NUMBER 916-653-4676
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Amend Sec. 132.2 & 705; Add Sec. 132.7, Title 14, CCR Re: Dungeness Crab Trap Gear Retrieval Program			NOTICE FILE NUMBER Z

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:

- | | |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input checked="" type="checkbox"/> e. Imposes reporting requirements |
| <input checked="" type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input type="checkbox"/> 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.*2. The Department of Fish and Wildlife estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- 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: 470Describe the types of businesses (Include nonprofits): ~460 Commercial Dungeness Crab Fishermen and ~10 Retrieval PermitteesEnter the number or percentage of total businesses impacted that are small businesses: 100%4. Enter the number of businesses that will be created: some anticipated eliminated: none anticipatedExplain: Program is anticipated to support creation of some new gear retrieval entities.5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): coastal Northern and Central California6. Enter the number of jobs created: some anticipated and eliminated: none anticipatedDescribe the types of jobs or occupations impacted: Gear retrieval-associated part-time temporary work7. 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 NOIf YES, explain briefly: _____

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

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? \$ 1,579,640
 - a. Initial costs for a small business: \$ 0 (See Addendum) Annual ongoing costs: \$ 1,400 - \$5,468 Years: 1
 - b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 1,400 - \$5,468 Years: 1
 - c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 1,400 - \$5,468 Years: 1
 - d. Describe other economic costs that may occur: Per-vessel payments for retrieved gear = \$1,400/yr - \$5,468/year x 460 vessels
The lowest potential total costs are \$644,000 and highest are \$2,515,280. Expected total statewide costs are the range median = \$1,579,640 (\$1.58)

2. If multiple industries are impacted, enter the share of total costs for each industry: Commercial Dungeness Crab Fishermen (80 % of impacts)
and Gear Retrieval groups (20% of impacts).

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.* \$ 1,616-2,016

4. Will this regulation directly impact housing costs? YES NO
If YES, enter the annual dollar cost per housing unit: \$ _____
Number of units: _____

5. Are there comparable Federal regulations? YES NO
Explain the need for State regulation given the existence or absence of Federal regulations: State legislature mandates CDFW to implement law
Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ none

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: _____
Reduce bycatch especially of marine mammals, thereby, reducing negative impacts to the marine environment. Increase public and worker safety by removing navigational hazards.
2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?
Explain: SB1309 (2018) implementation with 9002.5 FGC that requires CDFW to implement a gear retrieval program
3. What are the total statewide benefits from this regulation over its lifetime? \$ \$1.8 million - see addendum
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: Expansion
of businesses associated with crab gear retrieval and storage.

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: 1) CDFW would be completely
responsible to administer the entire program. 2) No change alternative would not implement the legislature-mandated program or help to
address the risk of whale entanglements.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ 1.67-1.91 M Cost: \$ 1.58 M

Alternative 1: Benefit: \$ 1.67-1.91 M Cost: \$ 3.08 M

Alternative 2: Benefit: \$ 0 Cost: \$ 1.67-1.91 M

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: Regulation achieves same benefits (\$1.67-1.91 M) as ALT 1 that adds est. \$1.5 M in CDFW ongoing costs. ALT 2 no 9002.5 implementation & has \$1.67-1.91M bycatch losses

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: The proposed action is a performance standard and does not contain prescriptive regulations.

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:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

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: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

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 _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

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)

\$ 20,000 for regulation development

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 Legislature has designated appropriations to cover CDFW costs to compensate trap retrieval programs. CDFW anticipates new revenue to cover program costs. See Addendum.

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

DATE

8/26/19

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

DATE

8/26/19

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

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

DATE

9/18/19

**STATE OF CALIFORNIA
DEPARTMENT OF FISH AND WILDLIFE
STD. 399 Addendum**

Amend Section 132.2; Add Section 132.7; and Amend Section 705
Title 14, California Code of Regulations
Re: Dungeness Crab Trap Gear Retrieval Program

Economic Impact Statement

The purpose of the amendment to Section 132.2, the addition of Section 132.7, and the amendment of Section 705, is to establish a program for the retrieval of lost or abandoned crab traps and attached lines and buoys (“trap gear”). Removing lost and abandoned trap gear will reduce the risk of: whale entanglement; other threats to marine life; and, navigational hazards.

The proposed commercial Dungeness crab trap gear retrieval program regulations are undertaken by the Department to fulfill the requirements of Fish and Game Code (“FGC”) Section 9002.5 (McGuire, 2016, SB1287; McGuire, 2018, SB1309). Lost or abandoned trap gear poses a risk of whale entanglement, other threats to marine life, and navigational hazards in the state’s waters. The proposed gear retrieval program is designed to be cost-effective by keeping the operation and most of the administration of the program at the local level. Additionally, the cost of retrieving a lost trap is expected to be less than the purchase price of a new trap including the cost to outfit the trap with new lines and buoys. The program is anticipated to effectively benefit the economics of the commercial Dungeness crab fishery by enabling the return of lost or abandoned trap gear to fishermen at a lower cost than replacing the gear. Additionally, the benefits of reduced risk of whale entanglement, other threats to marine life, and navigational hazards, are likely to result in direct and indirect cost-savings. Overall, the effective removal of derelict crab trap gear is expected to benefit the economy of the state.

Section B, Estimated Costs, Question 1.

The cost impacts to businesses, most of which are commercial fishermen operating under a Dungeness crab vessel permit, are estimated to range from \$1,400 for those who pay a Retrieval Permittee the freely negotiated cost for an estimated number of lost traps after being adequately notified; to \$5,468 for those who do not directly pay the Retrieval Permittee and instead are required to pay a Department Trap Fee. Individual Dungeness crab vessel permittees who successfully retrieve all of their own traps would incur zero additional external costs. However, it may be that an individual vessel’s fuel and crew costs to search for their own lost traps could exceed the fee charged by a Retrieval Permittee, such that participating in the gear retrieval program could be a more cost-effective practice for Dungeness crab vessel permit holders.

The cost estimates to businesses were derived based on landings data from the 2017-18 commercial Dungeness crab season, during which about 560 Dungeness crab permits were issued but only 460 vessels made at least one landing in the state. These active Dungeness crab vessel permits are distributed in one of seven tiers that contribute to a maximum potential trap total of 149,650 traps.

Taking the median number of 300 traps and assuming a 5% trap loss rate (15 traps) with about 50% of these lost traps retrieved (8 traps) via the program (rounded to the nearest whole trap), we derived a range of costs from \$1,400 to \$5,468 based on whether a Responsible Vessel Permitholder either pays a Retrieval Permittee directly (estimated at \$175/trap, based on conversations with participants in a pilot gear retrieval program) and recovers their trap from them or refuses to pay and incurs the Department Trap Fee (\$408.50/trap) and must then also replace the trap gear at an estimated cost of \$275 for a total cost of \$683.50.

The total statewide costs are estimated to be about \$1,579,640 (\$1.58 M) which is the median cost between the lowest (\$644,000) and highest (\$2,515,280) potential total costs of the regulation.

Table 1. Estimated Annual Ongoing Costs for Businesses and Individuals

Dungeness Crab Fishery Totals				Assumptions		\$ 175	\$ 683.50
Trap Tier	Trap Allotment by Tiers	Active Permits	Maximum Total Traps	5% loss	50% of lost traps retrieved (rounded to nearest trap)	Pay \$175 to Retrieval Permittee	Don't Pay Retrieval Permittee - Incur \$408.50 Dept Fee and \$275 Trap Replacement Cost
1	500	55	27,500	25	13	\$ 2,275	\$ 8,886
2	450	53	23,850	22.5	11	\$ 1,925	\$ 7,519
3	400	49	19,600	20	10	\$ 1,750	\$ 6,835
4	350	48	16,800	17.5	9	\$ 1,575	\$ 6,152
5	300	52	15,600	15	8	\$ 1,400	\$ 5,468
6	250	139	34,750	12.5	6	\$ 1,050	\$ 4,101
7	175	66	11,550	8.75	4	\$ 700	\$ 2,734
Sum Total Traps			149,650				
Individual Vessel Lost Trap Costs				5% loss	50% retrieved	Retrieval Costs through Program	Retrieval Costs w/Non-Compliance
Average Traps/Vessel			323.9	16.2	8	\$ 1,400	\$ 5,468
Median Traps/Vessel			300	15	8	\$ 1,400	\$ 5,468

Sources: CDFW Marine Region, CDFW License and Revenue Branch.

Additionally, gear retrieval entities who elect to participate in this voluntary program incur at a \$377.75 permit application fee each year in addition to costs associated with gear retrieval (e.g. fuel, crew), storage of retrieved gear, and reporting requirements (e.g. certified mailings, printing and mailing of logbooks). Some or all of these costs could be recovered through the freely-negotiated Retriever Trap Fee paid by a Dungeness crab vessel permitholder in order to acquire their retrieved gear. See Table 2 below for Retrieval Permittee reporting costs. After receiving the permit, if a Retrieval Permittee needs to amend their application that would result in an additional amendment fee of \$102.75.

Section B, Question 3. Retrieval Permittees will be required to maintain and report records that will involve personnel time, logbooks, receipts, and certified letter costs. Reporting costs (see Table 2) are estimated to range from \$1,616 to \$2,016 annually.

Table 2. Retrieval Permittee Reporting Cost Estimates

Estimate	Logbooks	Receipts	Personnel Time	350 Mailings	Total Costs
			20 hrs @ 20/hr	\$3.45 per mailing	
Low	\$3.00	\$5.00	\$400	\$1,208	\$1,616
			40 hrs @ 20/hr	\$3.45 per mailing	
High	\$3.00	\$5.00	\$800	\$1,208	\$2,016

Section D. Alternatives to the Regulation, Question 2. Summarize the total statewide costs and benefits from this regulation and each alternative considered.

Section 9002.5 authorizes the Department to establish a program which incentivizes the removal of commercial Dungeness crab trap gear that remains in the ocean after the end of the fishing season, reducing whale entanglement risk, other threats to marine life, and navigational hazards. The more decentralized regulation proposed here achieves the same benefits as Alternative 1 at a lower cost.

Alternative 1: Department staff originally developed a top-down framework that placed the Department directly in charge of administering, monitoring, and paying for retrieval operations. The program would require dedicated staff responsible for all the administrative aspects of the program as well as conducting site visits to every location where traps are landed or stored. The resulting costs would be substantial, at least an estimated \$1.5 million in Department of Fish and Wildlife annual costs, and the lack of local knowledge would hinder the efficiency of the gear retrieval program. Pilot gear retrieval programs operating under the authority of Section 132.2, Title 14, CCR have demonstrated that a locally-administered program is tenable, and recommendations from the Dungeness Crab Task Force have expressed support for avoiding unnecessary Department involvement and costs associated with day-to-day operations of the gear retrieval program.

Alternative 2: No Change Alternative: Without the proposed regulations, the lost or abandoned trap gear retrieval program mandated by the legislature would not be implemented.

In view of information currently possessed, no reasonable alternative considered would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Question 3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives.

The proposed program is structured to incentivize the removal of commercial Dungeness crab trap gear by either the motivated gear retrieval permittees and/or the Dungeness crab vessel permit holders themselves. The benefits of trap gear retrieval, such as reducing whale entanglement risk, other threats to marine life, and navigational hazards, may be quite variable year to year, introducing some quantification uncertainty. Anticipated ecosystem services benefits, aesthetic benefits and other non-use values are difficult to monetize. To avoid excessive speculation, this estimate focused more narrowly on the monetized market-traded direct uses, such as expenditures in the whale watching industry, supplemented with monetized travel costs research.

A literature survey of the economic contribution of the whale watching industry yielded an estimated \$44,614,500 to \$59,902,500 in direct expenditures annually, expanding to \$127,819,900 to \$171,720,500 in total economic impact, supporting 79 jobs per \$1 million in expenditures. There are an estimated 5,000 individual whales that pass through potential gear hazard areas. Of these, from 30 to 71 whale entanglements have been documented in recent years, constituting about one percent of the whale populations off the California coast. The benefits of preventing the entanglement of three quarters to 100 percent of the average number of recorded entanglements constitute an estimated \$1,670,454 to \$1,909,090 in readily monetized value. It should be noted that the benefits could be much higher if the more difficult to monetize, yet substantial, indirect uses values and non-use values of existence, altruistic and bequest values had been included.

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.* No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

B. Fiscal Effect on State Government

1. Additional expenditures in the current State Fiscal Year. *\$20,000 for CDFW regulation development.*

A. Absorb these additional costs within existing budgets and resources. No Budget Change Proposals (BCPs) are proposed to date.

4. Other. Determination of Program Fees.

The Department has a duty to recover all reasonable costs pursuant to Fish and Game Code Section 1050(e). In addition, Section 9002.5 states that the Department shall set the Retrieval Permit fee and the per-trap fees levied on Dungeness crab vessel permitholders at a level which fully recovers any incurred costs.

Issuance of each Retrieval Permit, as well as any subsequent amendment, and oversight of retrieval activities will incur administrative costs. Staff will create and maintain an informational web page and respond to requests for information. Permit applications will need to be reviewed for completeness and potential enforcement concerns. Each applicant's data must be keyed into to the Automated License Data System. Payment will be processed through the point of sale terminal and the permit printed and mailed to approved applicants. Department staff may need to share contact information for Dungeness crab vessel permitholders with Retrieval Permittees per Fish and Game Code Section 9002.5(b)(4). Additionally, on-the-water and land-based enforcement efforts will be needed to ensure compliance with the regulations established under this section. Staff will need to review, enter and analyze logbook data, and track buoy tags submitted with logbooks. Periodic program reviews will be needed to ensure the current fee covers incurred costs. The duties described will require work by Environmental Scientists, Associate Governmental Program Analysts, and Wildlife Officers within the Department's Marine Region, License and Revenue Branch, and Law Enforcement Division. Table 3 summarizes the expected costs associated with processing each Retrieval Permit and Retrieval Permit Amendment and administering the retrieval program.

Table 3. Retrieval Permit and Retrieval Permit Amendment Fee Determination

Item	Classification	Number of Hours	Hourly Wage + Benefits	Overhead	Cost
Permit Application	Associate Governmental Program Analyst	1.00	\$51.96	24.32%	\$64.60
	Environmental Scientist	1.50	\$58.69	24.32%	\$109.45
	Wildlife Officer	3.00	\$54.62	24.32%	\$203.70
	Permit Application Fee = \$377.75				
Permit Amendment	Associate Governmental Program Analyst	0.50	\$51.96	24.32%	\$32.30
	Environmental Scientist	0.50	\$58.69	24.32%	\$36.48
	Wildlife Officer	0.50	\$54.62	24.32%	\$33.95
	Permit Amendment Fee = \$102.75				

Sources: 2018-19 CalHR salary schedule, 2018-19 CDFW benefit and overhead rates.

Should a Responsible Vessel Permitholder not pay the Retriever Trap Fee, they would be subject to a Department Trap Fee. To fully recover Department costs, that fee must include the \$125 the Department will pay to the Retrieval Permittee as well as sufficient funds to cover Department administrative costs. Department staff will need to issue payments to Retrieval Permittees, notify Responsible Vessel Permitholders about owed fees and update customer profiles for Responsible Vessel Permitholders should their non-payment of Department Trap Fees result in the suspension of the renewal or

transfer of their Dungeness crab vessel permit. Once Department Trap Fees have been paid, Department staff will need to process received payments and update customer profiles. Periodic program reviews will be needed to ensure the current fee covers incurred costs. The duties described will require work by Environmental Scientists and Associate Governmental Program Analysts within the Department’s Marine Region and License and Revenue Branch. Table 4 summarizes the expected costs associated with levying a Department Trap Fee.

Table 4. Department Trap Fee Determination.

Item	Classification	Number of Hours	Hourly Wage + Benefits	Overhead	Cost
Department Staff	Associate Governmental Program Analyst	1.00	\$51.96	24.32%	\$64.60
	Environmental Scientist	3.00	\$58.69	24.32%	\$218.89
Payment to Retrieval Permittee					\$125
Department Trap Fee = \$408.50					

Sources: 2018-19 CalHR salary schedule, 2018-19 CDFW benefit and overhead rates.

B. Fiscal Effect on State Government

4. Other. Department of Fish and Wildlife (DFW) Revenue Projections.

The Department of Fish and Wildlife (DFW) anticipates some revenue from the Dungeness Crab Trap Gear Retrieval Program starting in fiscal year 2019/2020. The anticipated revenue is also projected for the subsequent two fiscal years, 2020/21 and 2021/22.

Retrieval Permittee Fee Revenue

Retrieval Permittees will pay annual fees of \$377.75 for each year that they choose to participate in the gear retrieval program. We anticipate that ten entities per year from ports in central and northern California (where the Dungeness crab fishery occurs) would seek Retrieval Permits. However, participation would likely fluctuate between seasons, and the number could range from a low of six permittees to a high of 12 permittees per year. A small share of those permittees may need amendments to their retrieval permit, which would incur a Department charge of \$102.75 each.

Dungeness Crab Vessel Permitholder Fee Revenue

If a Dungeness crab vessel permitholder does not pay the Retrieval Permittee for their retrieved trap, they would be required to pay a Department Trap Fee of \$408.50, from which the Department would reimburse the Retrieval Permittee \$125 to cover their per-trap retrieval and administrative expenses. This leaves the Department with \$283.50 net revenue per trap. The rate of cooperation with the Dungeness Crab Trap Gear Retrieval program is difficult to gauge until it has been in effect for at least a few years. Given this uncertainty, we present estimates for scenarios in which 20 percent to 100 percent of active Dungeness crab vessel permitholders (n=462, Table 1) refuse to pay the freely

negotiated Retriever Trap Fee and are therefore required to pay the Department Trap Fee. Over time, the Department anticipates fewer traps will be assessed a Department Trap Fee, as more Dungeness crab vessel permitholders effectively remove their traps prior to the end of the fishing season and, for traps which are retrieved under this program, pay the freely negotiated Retriever Trap Fee.

Table 5. Projected Revenue Change 2019/20, 2020/21, 2021/22

Fiscal Year	Retrieval Permittee Fees for 6 to 12		Dungeness Crab Vessel Permitholder Fees for 20 % to 100%		Revenue Low Estimate	Revenue Average Estimate	Revenue High Estimate
2019/20	\$2,267	\$4,533	\$209,563	\$1,047,816	\$211,830	\$632,089	\$1,052,349
2020/21	\$2,267	\$4,533	\$209,563	\$1,047,816	\$211,830	\$632,089	\$1,052,349
2021/22	\$2,267	\$4,533	\$209,563	\$1,047,816	\$211,830	\$632,089	\$1,052,349

Notes: All fees may be adjusted annually for the Implicit Price Deflator for State and local Governments (per Fish and Game Code Section 713).

External Information Sources:

2018 West Coast Entanglement Summary, May 2019, NOAA.

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