

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

STD. 399 (REV. 12/2013)

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Fish and Game Commission</b>	CONTACT PERSON <b>Margaret.Duncan</b>	EMAIL ADDRESS <b>@wildlife.ca.gov</b>	TELEPHONE NUMBER <b>916-653-4674</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Amend subsection (b)(91.1) of Section 7.50, Title 14, CCR, RE: Klamath River Basin Sport Fishing</b>			NOTICE FILE NUMBER <b>Z</b>

**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 type="checkbox"/> e. Imposes reporting requirements              |
| <input checked="" type="checkbox"/> b. Impacts small businesses          | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input checked="" type="checkbox"/> c. Impacts jobs or occupations       | <input checked="" 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.***Fish and Game Commission**2. The \_\_\_\_\_ 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: 30-50Describe the types of businesses (Include nonprofits): Fishing boat owners, tackle stores, guides, food, fuel, lodging, camping vendorsEnter the number or percentage of total businesses impacted that are small businesses: 80%4. Enter the number of businesses that will be created: none eliminated: noneExplain: Anticipated changes in fishing activity are not expected to be large enough to induce business loss/ creation.5. Indicate the geographic extent of impacts:  Statewide  
 Local or regional (List areas): Siskiyou, Trinity, Del Norte, and Humboldt Counties6. Enter the number of jobs created: 0 and eliminated: 0-22Describe the types of jobs or occupations impacted: Fishing guides, retail sales clerks in sport fishing-serving businesses, such as: tackle stores, food, fuel, lodging, and camping vendors7. 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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**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? \$ 0
- a. Initial costs for a small business: \$ 0 Annual ongoing costs: \$ 0 Years: 1
- b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$ 0 Years: 1
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years: 1
- d. Describe other economic costs that may occur: N/A. This action will set Klamath River Fall-Run Chinook (KRFC) bag and possession limits with no compliance costs. See addendum.
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: \$ \_\_\_\_\_  
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: Fish and Game Code (FGC) sections 200 and 205, and ensure consistency with federal salmon sport fishing allocations adopted by the Pacific Fishery Management Council.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

**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: This action should result in the continued sustainability of the salmon and other sport fisheries that benefit sport anglers, and the area businesses involved in sport fishing activities.
2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?  
Explain: Statute provides Fish & Game Commission the authority to establish sport fishing regulations (FGC sec. 200, 205)
3. What are the total statewide benefits from this regulation over its lifetime? \$ 2-2.7M, see addendum
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: Any changes in fishing activity levels are not expected to be sufficient enough to induce the expansion of businesses currently doing business within the State.

**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: See addendum. Alternatives considered:
- 1) More liberal bag/ possession limits and fishing methods could induce a rush to fish that may damage salmon stocks.
- 2) No Change to the 2019 KRFC limits may not be in accord with the 2020 PFMC quota allocations

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**ECONOMIC IMPACT STATEMENT (CONTINUED)**

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

Regulation: Benefit: \$ 2-2.7 M Cost: \$ 0Alternative 1: Benefit: \$ 2- 2.7 M Cost: \$ -3.7M \*Alternative 2: Benefit: \$ 2-2.7 M Cost: \$ see addendum

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

Benefits = estimated (salmon angler days x spending) xmultipliers for total economic impact. \*Costs may include long-run over-fishing costs to fishery sustainability.

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 NOExplain: Fisheries management regulations traditionally involve setting harvest quotas, seasons, bag and possession limits.**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  
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**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  
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**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 \_\_\_\_\_  
\_\_\_\_\_

**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

 **Original signature on file 11/13/19**

*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

 **Original signature on file 01/07/20**

*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



## STD. 399 Addendum

Amend Subsection (b)(91.1) of Section 7.50  
Title 14, California Code of Regulations  
Re: Klamath River Basin Sport Fishing

### Economic Impact Statement

The proposed regulatory amendments of subsection 7.50(b)(91.1) under consideration will set the 2020 Klamath River Basin salmon sport fishing regulations to conform to the Pacific Fishery Management Council (PFMC) Klamath River Fall-run Chinook Salmon (KRFC) allocation. The Klamath River Basin is anticipated to be open for salmon sport fishing at levels similar to the levels in the 2019 sport fishing seasons; however, the possibility of marine fishery area closures still exists. Ocean closures may in turn result in PFMC recommendations for Klamath River Basin salmon sport fishery closures for the take of adult KRFC. Adverse or positive impacts to jobs and businesses will depend on the 2020 KRFC allocation ultimately adopted by the PFMC, and the specific regulations promulgated by the Fish and Game Commission (Commission), in conjunction with the California Department of Fish and Wildlife (Department).

#### **KRFC Adult Stocks**

The proposed quota range of 0 - 67,600 adult KRFC in 2020 represents a range from 0 percent or no salmon fishing on adult KRFC, to greater than 100 percent of the 2019 Klamath River Basin KRFC quota. Under all scenarios, sport fishing may be allowed for other sportfish species, and likely for grilse KRFC, regardless of PFMC allocation. Thus, any adverse impacts to businesses could be less severe than under a complete closure of fishing.

The Department is also proposing two other regulatory changes:

#### **KRFC Size Limit (Grilse Size Considerations)**

Grilse salmon are salmon that spend two years in the ocean before returning to their natal streams to spawn. These fish are generally smaller in size and contribute less to the overall salmon population than adult salmon, which typically spend three to five years in the ocean before returning to freshwater to spawn. KRFC recreational fishery bag and possession limits generally contain an adult and grilse component. When considering a grilse fishery, determining a size cutoff that balances angling harvest opportunity for grilse versus protecting adult spawners and not exceeding adult quotas is important. If the size cutoff is too short (conservative), fewer grilse will be caught by anglers, and they will be underutilized because grilse are infrequently used as hatchery broodstock, or because jacks are out-competed by larger males in-river. If the cutoff is too large (liberal), then angling catch of the smaller adults will increase, reducing the hatchery and in-river spawners and potentially causing exceedance of the adult quota.

In years when the adult quota is met, angling is still allowed for KRFC less than or equal to 22 inches total length (TL). The Department is proposing a size limit cutoff range of 22 to 23 inches TL. Changing the size specification for grilse is not anticipated to impact the number or length of angler trips and thus expenditures in the fishery areas.

### **Brown Trout Bag and Possession Limit Increase on the Main Stem Trinity River.**

The Department is proposing to increase the daily bag and possession limit for Brown Trout on the main stem of the Trinity River from a five fish daily bag/10 fish possession limit to a 10 fish daily bag/20 fish possession limit. While Brown Trout are not often the primary target of sportfishing, this proposed change will increase fishing opportunity and thus will also help to mitigate any potential reductions in the adult KRFC quota that may have to be accommodated.

The preservation of Klamath River salmon stocks is vital for the ongoing success of Klamath River Basin businesses, which provide goods and services related to fishing. Scientifically-based KRFC allocations are necessary for the continued preservation of the resource, and therefore the prevention of adverse economic impacts.

Based on a 2011 National Marine Fisheries Service (NMFS) report (*In-River Sport Fishing Economics of the Klamath River*), and adding a 33 percent increase to account for the Trinity River<sup>1</sup>, in a normal year, non-resident Klamath River salmon and steelhead sport anglers together contribute about \$3,442,750 (2017\$) in direct expenditures, resulting in about \$4,221,945 (2017\$) in total economic output to California businesses. The economic impact figures are expressed in 2017 dollars because adjusting for 2019<sup>2</sup> does not meaningfully alter the estimates. The NMFS study found that non-resident (outside the immediate locale) salmon or steelhead angler average expenditures are estimated to be \$108.82 (2017\$) per angler day (for lodging, food, gasoline, fishing gear, boat fuel, and guide fees). The projections do not distinguish between spring- and fall-runs, however, the in-river harvest is almost exclusively fall-run.

Local resident average expenditures per angler day are estimated to be 60 percent less (markedly reduced lodging, gasoline and food expenditures), which yields an estimate of \$43.53 per angler-day. Local resident anglers comprise about 36 percent of Klamath River Basin anglers. Any decreases to expenditures by resident anglers associated with reduced fishing opportunities may be offset by increased expenditures on other locally purchased goods and services – with no net change in local economic activity. Thus,

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<sup>1</sup> The NMFS study excluded the Trinity River, the largest tributary to the Klamath. The Trinity River is allocated 33 percent of the KRFC total quota. Using the Trinity quota as a measure of salmon and steelhead angler effort, and thus impacts on associated businesses that support anglers, the Department added 33 percent to the total economic output listed in the NMFS report.

<sup>2</sup>The Implicit Price Deflator for Personal Consumption Expenditures between 2017 and 2019 has been between one to two percent.

the economic impact assessment focuses on non-resident angler expenditures which represent new money whose injection serves to stimulate the local economy.

The total impact of non-resident angler direct expenditures supports about 45 jobs for salmon alone or up to 70 jobs for all salmon and steelhead spending.

**Table 1. Klamath Salmon and Steelhead Total Economic Output (Non-resident anglers, 2017\$)**

<b>Klamath Sport Fishing</b>	<b>Salmon</b>	<b>Steelhead</b>	<b>Total</b>
Total Output	\$2,733,115	\$1,488,830	\$ 4,221,945
Labor Income	\$1,264,576	\$688,862	\$ 1,953,438
Jobs	45.7	24.9	70.6

To demonstrate the potential economic impacts that may result from a quota anywhere within the range of 0 - 67,600 KRFC, three adult salmon catch projections are as follows: 100 percent of the 2019 adult KRFC catch limit; 50 percent of the 2019 adult KRFC catch limit; and 0 percent of the 2019 adult KRFC catch limit.

**Section A**

**Question 4. Number of businesses that will be created or eliminated.**

*Projection 1:* 100 percent of the 2019 adult KRFC catch limit: The Commission does not anticipate any impacts on the creation of new business or the elimination of existing businesses, as the quotas would not decrease effort nor curtail the number of visitors and thus probable visitor expenditures in the fisheries areas.

*Projection 2:* 50 percent of the 2019 adult KRFC catch limit: The Commission anticipates a decline in visits to the fishery areas of less than 50 percent due to the continued sport fishing allowed for other species and grilse KRFC. This may result in some decline in business activity, but the Commission does not anticipate any impacts on the creation of new business or the elimination of existing businesses directly related to fishing activities. However, with less effort being expended on salmon fishing, the possibility of alternative activities and the growth of businesses to serve those activities exists.

*Projection 3:* 0 percent of the 2019 adult KRFC catch limit: In the event of salmon fisheries closures for adult KRFC in some or all Klamath River Basin areas, the Commission anticipates a decline in regional spending and thus reduced revenues to the approximately 30 to 50 businesses that directly and indirectly serve sport fishing activities with unknown impacts on the creation of new business or the elimination of existing businesses. However, adverse impacts may be mitigated by the continued opportunity to harvest other sportfish and the potential for take of grilse KRFC. Additionally, the long-term intent of the proposed regulatory action is to increase



sustainability in fishable salmon stocks and, consequently, the long-term viability of these same small businesses.

## **Section A**

### **Question 6. Number of jobs that will be created or eliminated.**

*Projection 1:* 100 percent of the 2019 adult KRFC catch limit: The Commission does not anticipate any adverse impacts on the creation or elimination of jobs, as the quotas would not decrease effort nor curtail the number of visitors and thus probable visitor expenditures in the fisheries areas.

*Projection 2:* 50 percent of the 2019 adult KRFC catch limit: The Commission anticipates some impact on the creation or elimination of jobs, which may be partially offset by the potential for continued sport fishing allowed for other sportfish and grilse KRFC. A 50 percent salmon catch reduction will likely reduce visitor spending by slightly less than 50 percent, given price elasticities of demand for salmon fishing activity of less than one. As the “price” of fishing per unit catch increases, the demand for fishing trips declines by a lesser extent, particularly in the short-run. While difficult to predict, job losses associated with a 50 percent reduction in the adult KRFC catch limit are expected to be less than half of the 45 estimated total jobs supported by salmon angler visits (i.e. fewer than 22 jobs).

*Projection 3:* 0 percent of the 2019 adult KRFC catch limit: In the event of fisheries closures for adult KRFC in some or all Klamath River Basin areas, the Commission anticipates less than 50 percent reduction in fishery-related jobs. As mentioned above, sport fishing for other species and grilse KRFC may still be allowed, thus mitigating potential job losses.

A closure on the take of all KRFC was instituted in 2017, and only steelhead could be legally harvested during the fall season. The 2017 closure resulted in nearly a 50 percent drop in angler days. However, job creation or elimination tends to lag in response to short-term changes in consumer demand. Thus, the potential impacts of a 2020 closure on the take of adult KRFC are estimated to result in the loss of less than 22 jobs due to adjustment lags, and the continued sport fishing allowed for other species and potentially for grilse KRFC.

## **Section B**

### **Question 1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$0**

The regulations under consideration seek to maintain the Klamath River Basin fall-run Chinook Salmon fishing opportunities with no new compliance costs. The proposed bag and possession limits do not prescribe any particular equipment or methods.

## Section C

### Question 1. Briefly summarize the benefits of the regulation.

Under all projections, the Commission anticipates benefits to the health and welfare of California residents. Providing opportunities for a Klamath River Basin salmon sport fishery and other sport fisheries encourages a healthy outdoor activity and the consumption of a nutritious food. Sport fishing also contributes to increased mental health of its practitioners, as fishing is a hobby and form of relaxation for many. Sport fishing also provides opportunities for multi-generational family activities and promotes respect for California's environment by the future stewards of California's natural resources.

Under all projections, the Commission does not anticipate benefits to worker safety because the proposed regulations will not impact working conditions.

Under all projections, the Commission anticipates benefits to the environment in the sustainable management of Klamath River Basin salmonid resources. It is the policy of this State to encourage the conservation, maintenance, and utilization of the living resources of the ocean and other waters under the jurisdiction and influence of the State for the benefit of all the citizens of the State and to promote the development of local fisheries and distant water fisheries based in California in harmony with international law, respecting fishing and the conservation of the living resources of the ocean and other waters under the jurisdiction and influence of the State. The objectives of this policy include, but are not limited to, the maintenance of sufficient populations of all species of aquatic organisms to ensure their continued existence, and the maintenance of a sufficient resource to support a reasonable sport use. Adoption of scientifically-based Klamath River Basin salmon seasons, size limits, and bag and possession limits provides for the maintenance of sufficient populations of salmon to ensure their continued existence.

Under all projections, consistency with Federal Fishery Management Goals: California's salmon sport fishing regulations need to align with the new Federal regulations to achieve optimum yield in California. The PFMC annually reviews the status of west coast salmon populations. As part of that process, it recommends west coast adult salmon fisheries regulations aimed at meeting biological and fishery allocation goals specified in law or established in the PFMC Salmon Fishery Management Plan (FMP). These recommendations coordinate west coast management of sport and commercial ocean salmon fisheries off the coasts of Washington, Oregon, and California, and California inland salmon sport fisheries. These recommendations are subsequently implemented as ocean fishing regulations by the NMFS, and as salmon sport regulations for California marine and inland waters by the Commission.

## Section C

### **Question 3. What are the total statewide benefits from this regulation over its lifetime?**

\$2.0 - 2.7 M annually.

A normal season for the Klamath River Basin (including the Trinity River) experiences an average of 21,000 nonresident sport salmon angler days in which anglers spend an average of \$109 per day contributing a total of \$2.0 M (2017\$) in direct expenditures to California businesses. This expenditure is received by area businesses that spend a share on inputs and payroll. As employees receive income, their household spending again circulates in the local economy and statewide. These multiplier effects result in an estimated total economic impact of \$2.7 M (2017\$), and up to 45.7 jobs.

## Section C

### **Question 4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation.**

*Projection 1:* 100 percent of the 2019 adult KRFC catch limit: The Commission does not anticipate any impacts on the expansion of businesses in California as the quotas would not increase effort nor increase the number of visitors and thus probable visitor expenditures in the fisheries areas.

*Projection 2:* 50 percent of the 2019 adult KRFC catch limit: The Commission does not anticipate any impacts on the expansion of businesses currently doing business within the State. Decreases in expenditures by resident anglers associated with reduced fishing opportunities may be offset by increased expenditures on other locally purchased goods and services – with no net change in local economic activity. For non-resident anglers, however, decreases in local expenditures associated with decreases in local fishing opportunities may result in increases in other expenditures outside the Klamath River Basin area.

*Projection 3:* 0 percent of the 2019 adult KRFC catch limit: In the event of salmon fisheries closures for adult KRFC in some or all Klamath River Basin areas, the Commission does not anticipate any expansion of businesses in California. Decreases in expenditures by anglers associated with reduced fishing opportunities may be partially offset by increased expenditures on other locally purchased goods and services as visitors fish for other sportfish, potentially including grilse KRFC, or the substitution of salmon fishing with other recreational activities.

## Section D

### **Question 1. Alternatives to the Regulation**

#### **Alternative 1:**

KRFC Adult Stocks

The use of more liberal regulations for KRFC bag limits, possession limits, and minimum adult salmon size would be less desirable than those proposed, because they could create risk of an intense fishery, reaching or exceeding the quota in a very short time. Reaching the quota in a very short time could be damaging to the local economy and exceeding the allowable harvest could damage the KRFC adult stocks.

#### KRFC Size Limit (Grilse Size Considerations)

In years when the adult quota is met, angling is still allowed for KRFC less than or equal to 22 inches TL. The Department is proposing a range of 22 to 23 inches TL. Changing the size specification for grilse is not anticipated to impact the number or length of angler trips and thus expenditures in the fishery areas.

The use of more liberal regulations for KRFC size limits (i.e., higher than 23 inches TL), means angling catch of the smaller adults will increase, reducing the hatchery and in-river spawners, and potentially causing exceedance of the adult quota.

#### Brown Trout Bag and Possession Limit Increase on the Main Stem Trinity River

The Department is proposing to increase the daily bag and possession limit for Brown Trout on the main stem of the Trinity River from a five fish daily bag/10 fish possession limit to a 10 fish daily bag/20 fish possession limit. While Brown Trout are not commonly primarily targeted for sportfishing, this proposed change will increase fishing opportunity and thus will also help to mitigate any potential reductions in the adult KRFC quota that may have to be accommodated.

#### **Alternative 2:**

##### KRFC Adult Stocks

The No Change Alternative would leave the current 2019 daily bag and possession limit regulations in place and would not allow flexibility to develop bag and possession limits based on 2020 PFMC allocations. The change for 2020 is necessary to continue appropriate harvest rates and an equitable distribution of the harvestable surplus.

#### KRFC Size Limit (Grilse Size Considerations)

The No Change Alternative for the grilse Chinook Salmon fishery would leave in place the current size limit cutoff for grilse salmon at less than or equal to 22 inches TL. This would prevent the opportunity for anglers to potentially harvest age two fish greater than 22 inches TL and would protect potentially smaller adults in the fishery from harvest.

#### Brown Trout Bag and Possession Limit Increase on the Main Stem Trinity River

The No Change Alternative for increasing the daily bag and possession limit for Brown Trout would leave the existing 2019 regulations in place.