

Columbia River Gillnet License Reduction and Alternative Gear Budget Proposal

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Agenda

- Governor's letter
- Fish Committee follow-up items
- LR/ Alt Gear and salmon recovery
- Budget proposal element
 - Alt gear
 - Communication, outreach and policy support
 - Fisheries assessment
 - License reduction
- Outreach update
- Questions



Request from Governor Inslee

- Supplemental budget proposal that includes:
 - Recommendations for voluntary license reduction (LR) program
 - Outlines path forward for improving understanding and implementation of viable alternative gears
 - Identifies science and monitoring needs
- Emphasis on ensuring salmon conservation and recovery and sustaining responsible fisheries
- In coordination with Oregon and tribal comanagers



2022 Supplemental Budget Request (\$3.4M)

Recommended Path Forward

License reduction	Alternative gears	Outreach, and policy support	Fisheries assessment
\$2,170,000	\$226,000	\$388,000	\$620,000





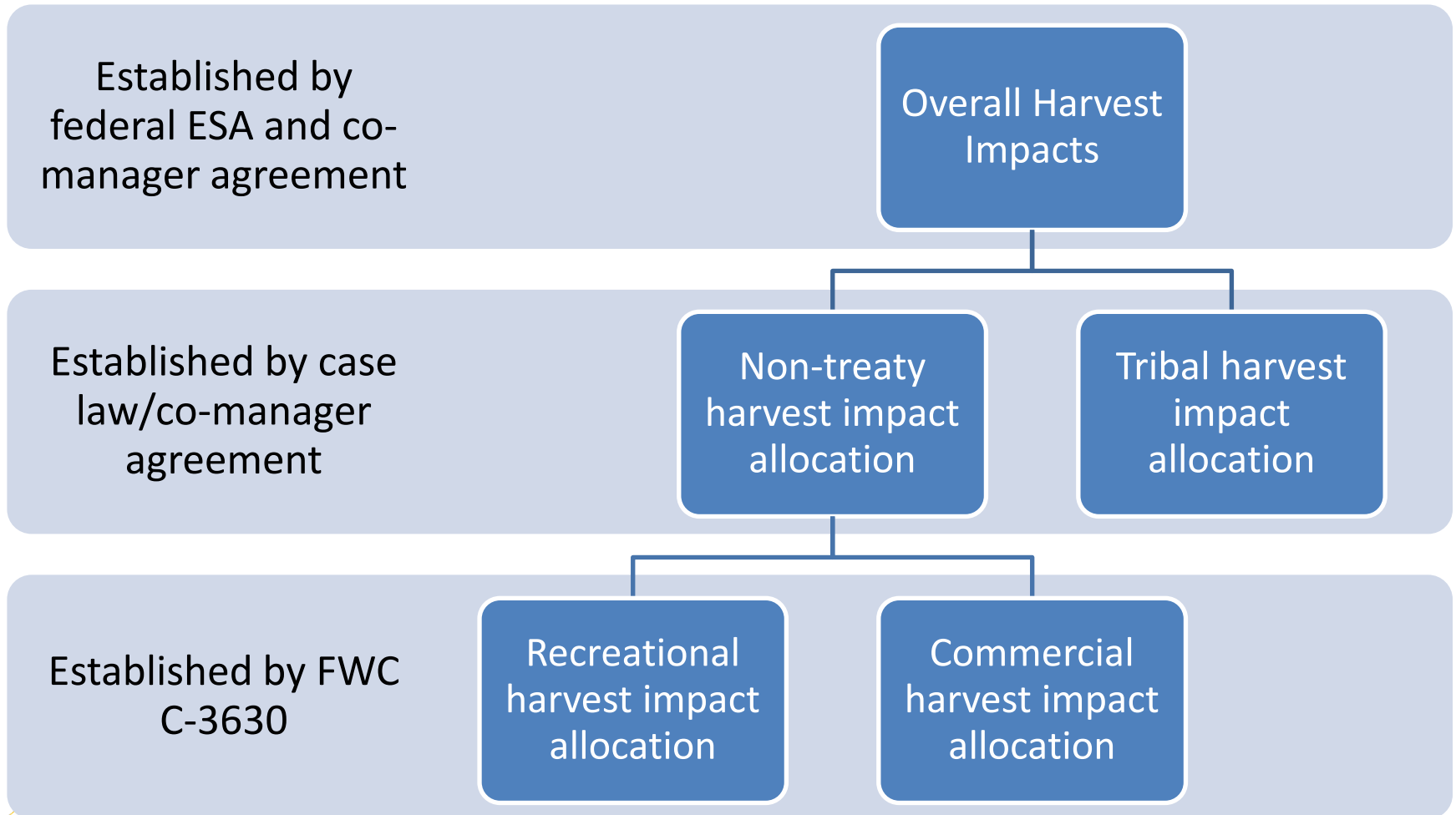
LR/Alt Gear and Salmon Recovery

Relationship between LR, Alt Gear and Salmon Recovery

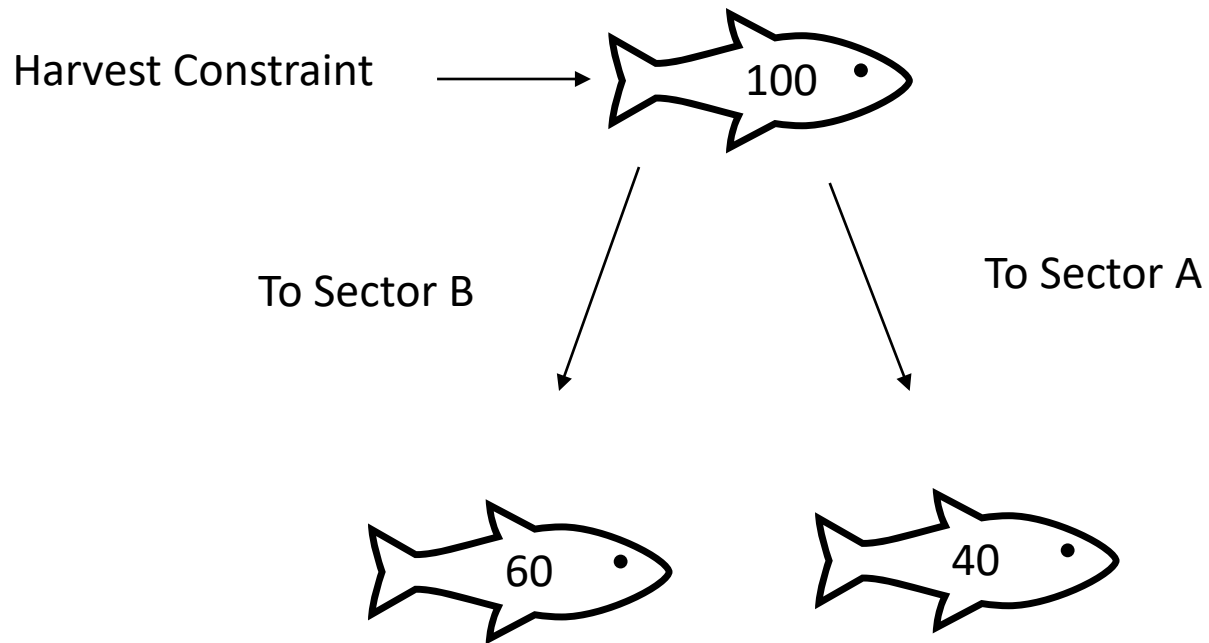
- Harvest Constraints for Columbia River salmon fisheries are informed by:
 - Federal law such as the Endangered Species Act, which mandates recovery plans and consultation on Actions that could impact listed species
 - Federal court orders for the *U.S. v. Oregon* case
 - State/Tribal agreements
 - Regional plans such as the Columbia Basin Partnership
- **The number of licenses and gear used are important considerations in sustainable fisheries management, but they do not impact our ability to remain within harvest constraints.**



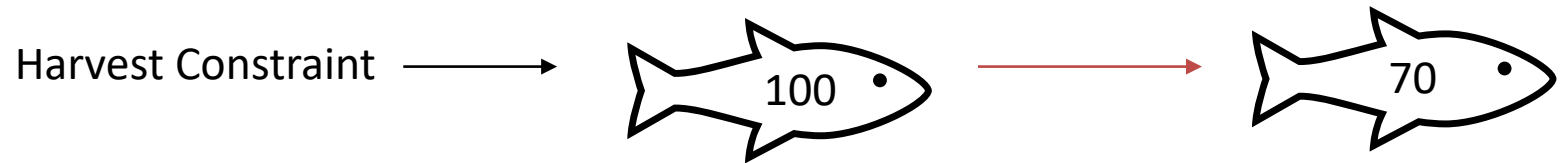
Proposal fits within Existing Fisheries Policy Framework



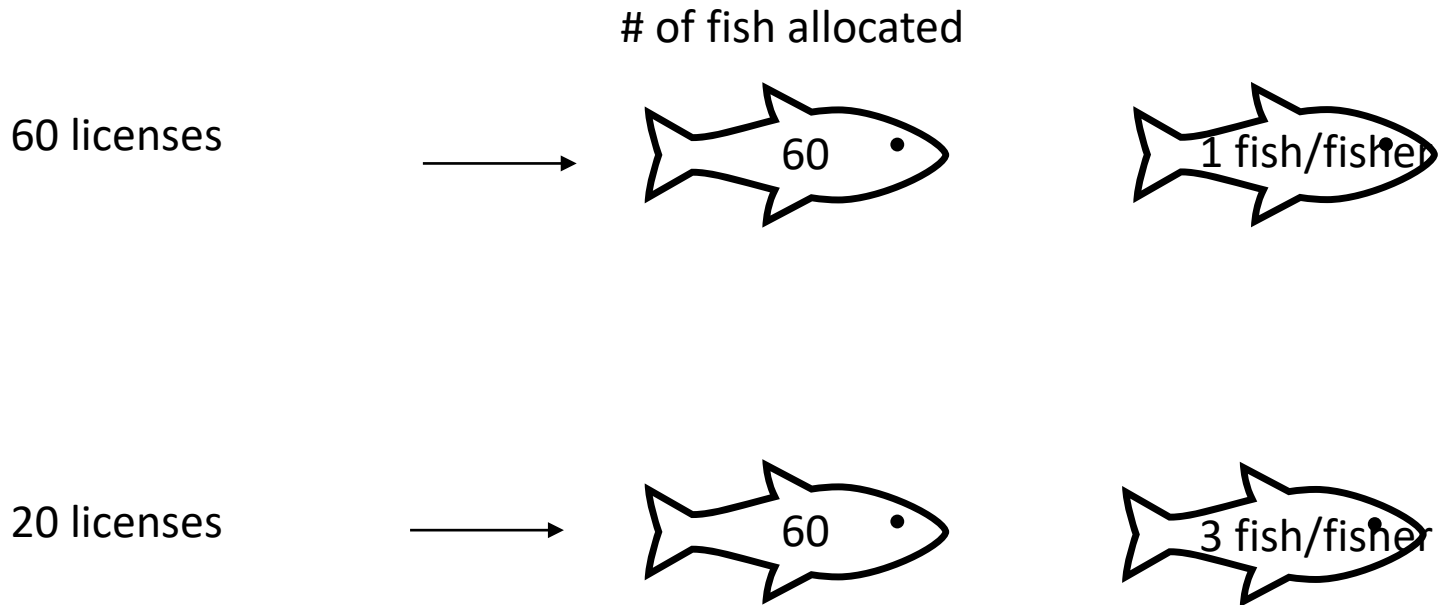
Allocation



Allocation vs. Conservation



How Does License Reduction Work?



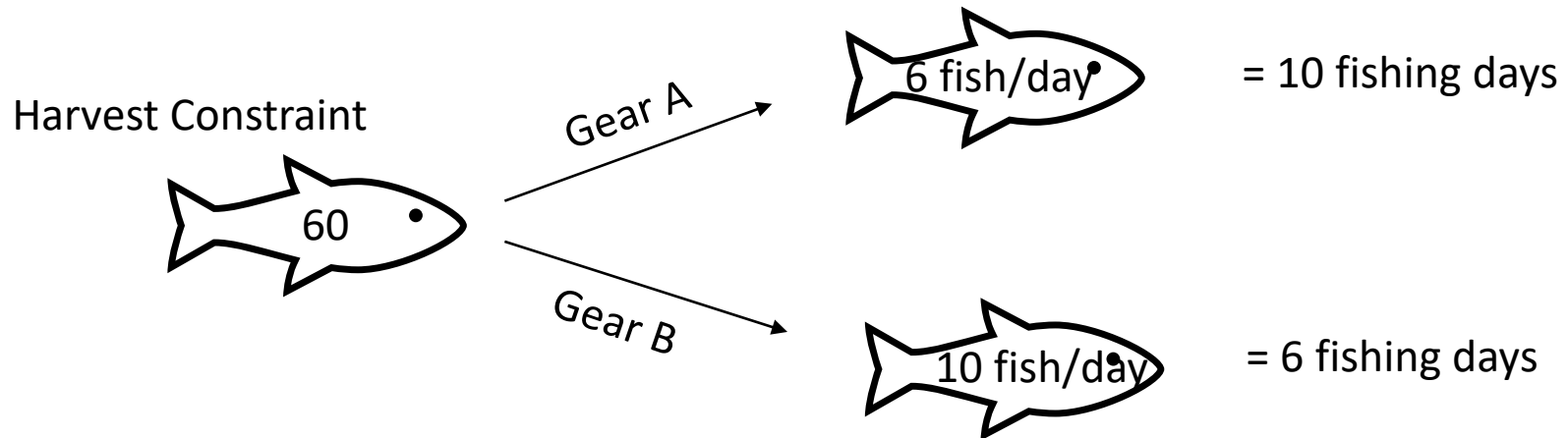
* Assumes all fishers are equally successful



Alternative Gears: In Practice

Implementation does not change harvest constraints or the commercial allocation, but may:

- Extend commercial seasons if impacts are used less quickly
- Allow for the harvest of more hatchery-origin salmon with extended seasons





Alternative Gear Development (\$226,000)

Alternative Gears: Goal

Promote conservation goals and enhance and optimize economic benefits to commercial and recreational fisheries by:

- 1) Increasing fishing gear selectivity compared to current capabilities to increase the ability to harvest hatchery fish
 - Managers consider time, place and manner (e.g., mark-selective), mortality rates, and handle for each gear
- 2) Promoting state conservation objectives (i.e., controlling hatchery fish on the spawning grounds).



Alternative gears-emerging commercial fishery

ECF Decision

- WDFW initiated a rule-making process to designate alternative commercial fishing gears
- The decision was made by the WDFW Director in April 2021

CR-101

- The CR-101 was posted on May 19, 2021

CR-102

- Staff are currently working on the CR-102
- A State Environmental Policy Act Analysis
- The need for a Small Business Economic Impact Statement

During ECF

- Information will be collected on economics, ESA-impacts, marketability, etc. that is not fully understood under the limitations of a research project or test fishery.

Next steps

- This information will be presented in a summary report to the WA Legislature, along with interested Commissioners, co-managers, partners, and stakeholders (RCW 77.70.180).
- The WA legislature can use this information to inform their decision on legalizing gears
- We anticipate a future funding request for work on the report



Alternative gears Proposal

Diversify

Diversify the research efforts currently underway by experimenting with more gears

Literature Review

Conduct a review of the information available to date on alternative gears

Research

Design/ conduct a study to investigate mortality rates and handle estimates

Streamline

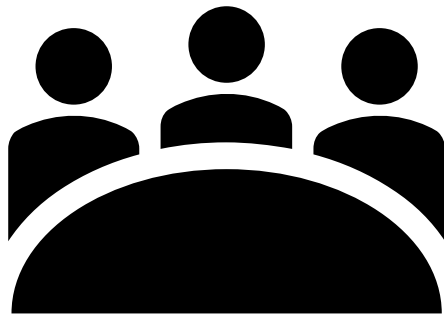
Develop a streamlined approach for fishers to apply for licenses, permits and leases





Communication, Outreach and Policy Support (\$388,000)

Communication, outreach, and policy support



Create communication materials on CR fisheries, wild salmon conservation and recovery

Support ongoing regional dialogues around Columbia River programs and policies

Create content for seafood consumers





Fisheries Assessment

(\$620,000)

Fisheries assessment

- Funding for the one-time purchase of a passive integrated transponder array (PIT tag detector), PIT tags and supplies.
- Staff to assist with development and implementation of a more rigorous monitoring plan (e.g. logbooks, enhanced creel).





**License Reduction
(\$2,170,000)**

License reduction – proposed goals and values

Proposed goals - align with C-3630 goals

- Support viable and stable commercial fishery for remaining participants
- “Right size” the number of licenses in the fishery to the available harvest (based on existing allocation and anticipated run sizes)

Values

- Voluntary
- Appealing to active and inactive license holders
- Incentivize participation by offering competitive price/ license
- Make efficient use of public funds by minimizing “loopholes”



Alternative Structures Considered

Structure	Pros	Cons
Single price fixed bid (2020 proposal)	Cost effective to administer and low burden of participation.	Does not offer a strong incentive for active license holders.
Two-tier fixed bid (two price points based on landings)	Cost effective to administer and straightforward for submitting bids. Offers greater incentive for active license holders.	Likely to draw participation from less active license holders (with low enough landings that the fixed price was a good deal).
Simple reverse auction (bids ranked, low to high on price)	Simple to administer (no calculations to scale bids) and provides equal opportunity for all license holders, regardless of landings.	Doesn't account for license history/ activity. By treating all licenses the same, the program may not be equitable for all license holders.
Two-choice program (choice of fixed bid or reverse auction)	Provides license holders with a choice (fixed bid or reverse auction) based on their landings history and motivation for having a bid accepted. Avoids assigning people to a program.	More expensive and time consuming to administer than some other options, particularly if criteria is used to scale bids in the reverse auction.
Two-category program (fixed price for ex-vessel value below threshold, reverse auction if above threshold)	Links compensation with landings history and provides a competitive fixed price for inactive license holders.	More costly to administer and may result in some license holders falling through the cracks (ex: someone with low ex-vessel value may be forced into an active program that results in a lower purchase price than that offered to inactive license holders.



License reduction – proposed structure

Two-choice program structure

- Participate in fixed bid program for \$10,000 per licenses, or
- Submit bid in reverse auction

Why \$10,000?

- Above market value – market ranges \$4,500 - \$11,000 with the most recent sale in 2020 going for \$7,500.
- Last license reduction program (1998) had over 60 license holders sell their licenses at the fixed bid price of \$10,000.

Why reverse auction?

- Allows license holders to set their own price



License reduction – proposed structure

Potential program “loophole”

- A license holder could sell their license through this program and then purchase another license (WA or OR) and continue fishing

Maximizing program effectiveness and cost efficiency

- Consider rules or contract terms that prevent re-entry after selling license
- Focus on both inactive and active licenses
- Work with Oregon on two-state program



Follow-up items from Aug 5/6

- ✓ Change title of budget request
- ✓ Develop longer briefing document that outlines
 - Program goals and how they relate to C-3630 goals.
 - Relationship between LR/ Alt gear and conservation/ recovery.
 - Rationale for LR program structure (esp \$10,000 price & incentive to participation).
 - Info on LR program structure and potential “loopholes.”
 - How to assess impacts to harvest of hatchery fish, conservation and recovery goals and fishing industry and coastal communities.
- ✓ Get more input from recreational and commercial partners on budget proposal.

- Measure effects of LR/ Alt Gear programs



Measuring Effects - ongoing

- Economic, social and environmental impacts will be further explored this fall, through the rulemaking process (SBEIS, SEPA, etc.) and through implementation of these initiatives.
- Questions to consider as we move forward:
 - What can license, catch and economic data tell us about potential fisheries impacts, harvest of hatchery fish and community impacts? What can the data tell us about optimum fleet size?
 - What suite of existing and alternative commercial fishing gears will allow us to optimize harvest?
 - What is the economic viability of alternative commercial gears?



Outreach on Budget Proposal

Meetings/ outreach

- July – August – 1x1s and focus groups w/ commercial fishers
- 8/17- Recreational fishing groups
- 8/18 – License Reduction work group
- 8/24 – Columbia River Rec Advisors
- 8/24 – CR Alt Gear work group
- Letters to license holders and tribal co-managers

What we heard

- Questions on relationship to conservation
- Questions and ideas on how to address loopholes
- Concerns that LR/Alt gear initiatives may influence policy decisions on harvest allocation
- Encouragement in developing two-state program
- Feedback on messaging and future outreach



Budget Proposal Expenditure Breakdown

	FY 2023	FY 2024	FY 2025
Total Cost	\$3,401,000	\$642,000	\$642,000
Total FTEs	8.5	5.6	5.6
A - Salaries	\$321,000	\$279,000	\$279,000
B - Benefits	\$88,000	\$65,000	\$65,000
C – Personal Srvc Contract	\$245,000	\$75,000	\$75,000
E – Goods/Services	\$47,000	\$34,000	\$34,000
G – Travel	\$20,000	0	0
J – Equipment	\$310,000	\$20,000	\$20,000
N – Grants/Pass Through	\$2,000,000	0	0
P – Debt Service	0	0	0
T – Intra-Agency Rem	\$370,000	\$169,000	\$169,000



Questions?

