

SENATE BILL REPORT

SB 5447

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 28, 2007

Title: An act relating to ensuring a sustainable coastal Dungeness crab fishery.

Brief Description: Instituting a Dungeness crab-coastal fishery buyback program.

Sponsors: Senators Hatfield, Jacobsen, Honeyford, Hargrove, Poulsen, Benton and Rasmussen.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/07/07, 2/28/07 [DPS].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Substitute Senate Bill No. 5447 be substituted therefor, and the substitute bill do pass.

Signed by Senators Jacobsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Poulsen, Spanel, Stevens and Swecker.

Staff: Curt Gavigan (786-7437)

Background: Dungeness crab exists in commercial quantities from Alaska to central California. These crabs live in waters from the intertidal zone out to a depth of 170 meters. The coastal Dungeness crab fishery is one of the most valuable commercial fisheries in Washington State. The 2004-2005 season saw a record catch of 21 million pounds, with an ex-vessel value of over \$30 million.

Unlike many coastal fisheries which are operated under federal management plans, Congress has authorized Washington, Oregon, and California to manage, with some limitations, the coastal crab fishery in federal waters.

The Legislature and Department of Fish and Wildlife have taken measures to limit the growth of this fishery, including limiting entry into the fishery, imposing limitations on the number of pots that may be fished, limiting vessel size and transfers, and pursuing interstate agreements.

Summary of Bill: The bill as referred to committee not considered.

Summary of Proposed Substitute As Heard In Committee (Natural Resources, Ocean & Recreation): The Department of Fish and Wildlife (DFW) must develop a coastal crab fishery buyback program (program). The stated goal of the program is to maximize the sustainability of the crab resource and the crab fleet.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The program must provide for the purchase and permanent retirement of coastal Dungeness crab licenses. DFW must design this portion of the program with the goal of purchasing between 80 and 100 licenses. The program may provide for the purchase of vessels.

The program must be premised on contributions by the state equaling 25 percent of monies required for the program and contributions by the federal government equaling 75 percent.

DFW must include certain other provisions in the program, such as the procedures by which applicants may apply to the program, the procedures by which DFW will select licenses for purchase, and any restrictions that would be placed on license holders who participate in the program. Participation in the buyback program is voluntary.

DFW must consult with fishery license holders when designing the buyback program, and may contract for assistance in developing the program. DFW must provide a report to the Legislature detailing the buyback program by December 1, 2007.

The bill also creates an account to accept monies received by DFW for the buyback program, including any federal funds. DFW must solicit monies for the program from appropriate sources. DFW may not implement the buyback program until the account contains enough resources to significantly improve the sustainability of the crab resource and crab fleet.

The frequency with which coastal crab license holders may change vessel designation is increased from once every two coastal crab seasons to once every calendar year.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Natural Resources, Ocean & Recreation): The sections creating an account to accept moneys received for the buyback program and changing the frequency by which coastal crab license holders may change vessel designation are each removed.

Changes are also made to the section directing DFW to develop a coastal crab fishery buyback program. Under the recommended substitute, the program must provide for the purchase and permanent retirement of coastal Dungeness crab licenses. DFW must design this portion of the program with the goal of purchasing between 80 and 100 licenses. The program may also provide for the purchase or retirement of vessels.

The program must explore funding alternatives that involve federal funding, state funding, industry funding, and combinations of these sources. The program must also include elements necessary for the administration of the program.

The program must be designed to have a neutral impact on crab harvests off the coasts of Oregon and California. Participation in the program is voluntary. DFW must consult with license holders when designing the program, and may contract for assistance in developing the program.

DFW must provide a report to the Legislature detailing the program by December 1, 2007. The program may not be implemented without specific legislative authorization.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill's goal is to keep the coastal crab fishery sustainable for the crab fishers and for the crab resources. The fishery is overcapitalized, and the growing tribal allocation issues will make the situation more difficult in the future. The industry is willing to take a lead role in working with the federal government to find funding for the program. The industry is hesitant to fund the buyback itself because the industry is already absorbing the transfer of crab catch opportunity to tribal fishers. This bill will help the state and industry survive and stay healthy into the future.

OTHER: The coastal crab fishery is a key fishery for coastal communities. Despite the past efforts of the Legislature, DFW, and the industry, the fishery remains overcapitalized and the solution will not be easy. A buy down of 80 licenses, as contemplated in the legislation, would cost an estimated \$50 million. Policy issues for the Legislature to consider when looking at a buyback program include avoiding impacts to other coastal states, the agency's role in soliciting funds for the program, the desired fleet number and harvest levels, and the flexibility granted to DFW in putting the program together.

Persons Testifying: PRO: Senator Hatfield, prime sponsor; Ed Owens, Coalition of Coastal Fisheries; Ray Toste, WDCFA; Dale Beasley, CRCFA.

OTHER: Phil Anderson, DFW.