

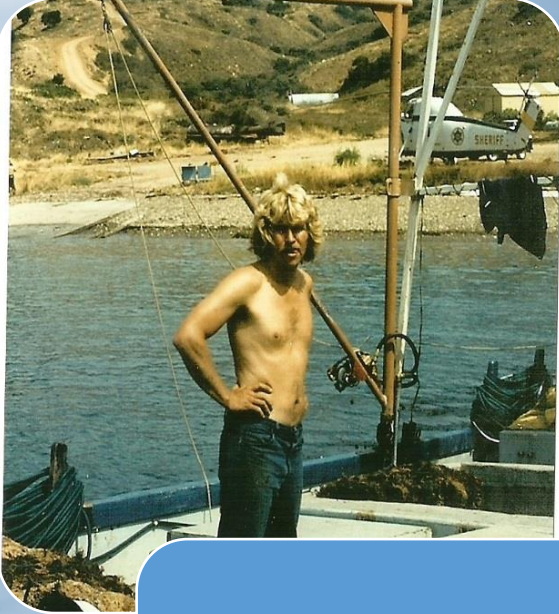
CALIFORNIA FISH AND WILDLIFE BUDGET EXPENDITURES

Why does CDFW spend more than it takes in?

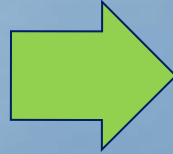
Presented by

Dave Rudie, Catalina Offshore Products

ABOUT CATALINA OFFSHORE PRODUCTS



Founded 40 years ago by urchin diver Dave Rudie. Still family-owned and operated.



Began as a sea urchin wholesaler. Later expanded to include fin fish and other wild species sourced from the West Coast, from Baja and Southern California to the Pacific Northwest.



Today we also operate a retail division that includes a retail fish market and online store.

FISHERIES INVOLVEMENT AND COMMUNITY SUPPORTED INITIATIVES

California Sea Urchin Commission

- Ensures reliable, sustainable supply of quality sea urchin products to consumers and enhances performance of California's sea urchin industry

SD Oceans Foundation

- Collaborative fisheries research with lobster fishermen, Scripps Institute of Oceanography, SDSU and the California Department of Fish & Wildlife (CDFW) on baseline data and research in MPAs

Southern California Marine Life Protection Act (MLPA)

- Stakeholder representing fisheries involved in the 3 year process

FISHERIES INVOLVEMENT AND COMMUNITY SUPPORTED INITIATIVES

Pacific Fishery Management Council's Highly Migratory Species Advisory Subpanel

- Chairman HMSAS
- Advises on fishery management problems, planning efforts, and the content and effects of fishery management plans, amendments and regulations

The Maritime Alliance

- Board Member
- Promotes sustainable development of ocean resources through workforce development, education, research, academic investigation, and community outreach

FISHERIES INVOLVEMENT AND COMMUNITY SUPPORTED INITIATIVES

California Fisheries & Seafood Institute

- **Chairman of the Board**
- **Association of individuals and businesses engaged in, or allied to, the consumer seafood supply industry. Our mission:**
 - 1. To preserve, foster, and promote the consumer seafood supply industry, and related activities, and to advocate sound legislation for the improvement, preservation, and promotion of the industry
 - 2. To market and promote the consumption of seafood and to provide, enhance, and communicate a positive image of seafood products, and the seafood industry to consumers
 - 3. To protect the right of the public to demand free and continuous access to seafood as a valuable source of food and useful commercial products
 - 4. To advocate true conservation through utilization of the maximum sustainable yield of all marine resources
 - 5. To encourage efforts to plant and maintain those species of marine life susceptible to scientific propagation

FISHERIES INVOLVEMENT AND COMMUNITY SUPPORTED INITIATIVES

California Pelagic
Fisheries Association

- President
- Dedicated to the sustainable harvest of bigeye, yellowfin, swordfish, mahi-mahi, ono and monchong



CDFW TAX INCREASE IS UNSUSTAINABLE

- In January of this year, the commercial fishing industry learned of the Governor's proposal to raise fish landing tax to \$12.4 million.
- Increase of 1,300% - an EXORBITANT and ARBITRARY amount that does not appear to be based on cost of living nor indexed for inflation.
- We also learned that over the last three years, the cost to run the CDFW has increased by \$20 million per year - from approximately \$75 million to approximately \$95 million.
 - Total revenue for the CDFW for commercial fishing, sportfishing and hunting has been approximately \$75 million per year.
 - The budget was balanced until about three years ago when costs increased to 95 million.

CDFW TAX INCREASES WILL DEVASTATE THE COMMERCIAL FISHING INDUSTRY

- Fish taxes in California are one of the ways the commercial fishing industry contributes to the CDFW budget.
 - Commercial fishing contributes \$6.5 million per year between licenses and fish taxes.
 - Fish taxes average \$1 million per year, though last year dropped to \$300,000 due to water quality issues (i.e. toxic algae, warm water blob, El Nino).
 - The proposed CDFW tax increase would be a 10-35x increase over last year.

The industry may be able to adjust taxes for inflation but cannot afford a 1,000 to 3,500 percent increase.

PROPOSED INCREASES BY FISHERY

| Species | Management | Increase |
|---|------------|----------|
| Lobster | State | 7900% |
| Spot prawns | State | 5900% |
| Abalone | State | 5900% |
| Samon | Federal | 400% |
| Swordfish | Federal | 100% |
| Halibut/white bass/sheephead | State | 1900% |
| Sea cucumber | State | 19131% |
| Dungeness crab | State | 13100% |
| Shorspine thornyhd/other prawns and shrimp | Mix | 7692% |
| Sharks | Federal | 542% |
| Sea urchin | State | 2592% |
| Pink shrimp | State | 280% |
| Smelts/turbot/longspine thorny head/sandabs | Mix | 2592% |
| Bonito/flounder/grenadiers/skates | Mix | 1438% |
| Sole | Federal | 2692% |
| Herring | State | 180% |
| Squid | Federal | 821% |
| Sardines | Federal | 19% |
| Mackarel | Federal | 477% |
| Anchovy | Federal | 477% |
| Whiting | Federal | 477% |
| Sablefish | Federal | 7692% |
| Ling cod | Federal | 7692% |
| All other fish | Mix | 3746% |

Since 1992 the Federal Government's Pacific Fisheries Management Council has taken the lead in the management of more than half of California's fisheries. Yet state seeks exorbitant tax hike!?

WE ARE TRYING TO UNDERSTAND HOW WE GOT THIS BUDGET IMBALANCE?

- **Why have costs for the Fish & Wildlife department increased so much? Unfunded mandates? New regulations? MPAs? Unplanned expenses?**
- **What is the cost per commercial fishing program for the department? (sea urchin, lobster, wetfish, groundfish, etc.)**
- **The commercial fishing industry wants to work with the department to help them with this issue but there has been minimal time to engage since first learning of it in January.**
- **We have many fisheries in California and there are different issues in each fishery. It will take time to develop a dialogue and an understanding.**

THE CONSUMER WILL BE HURT

- We need to support our fishermen and provide local sustainable seafood to the consumers
- This proposal will hurt fishermen, fish buyers, fish workers and consumers
- Fishermen and fish buyers operate on slim margins, so this tax increase may destabilize these small businesses and put them in jeopardy of going out of business
- Fish prices to consumers may go up \$2-5/dinner for local seafood if accepted by consumers

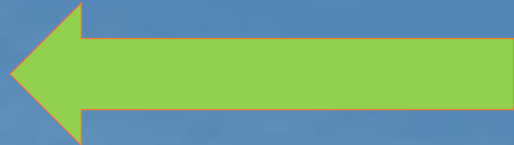


STOP “TOP DOWN MANAGEMENT” OF COMMERCIAL FISHERIES

- **Fishermen and fish buyers understand the issues facing the industry better than people at the top of the pyramid.**
- **The Magnuson-Stevens Fishery Conservation and Management Act exemplifies successes that can be achieved when fishermen and buyers are invited to work together with scientists and government:**
 - Manage fisheries sustainably
 - Increase long-term economic and social benefits
 - Ensure a safe and sustainable supply of seafood

INVITE FISH BUYERS AND FISHERMEN TO PARTICIPATE

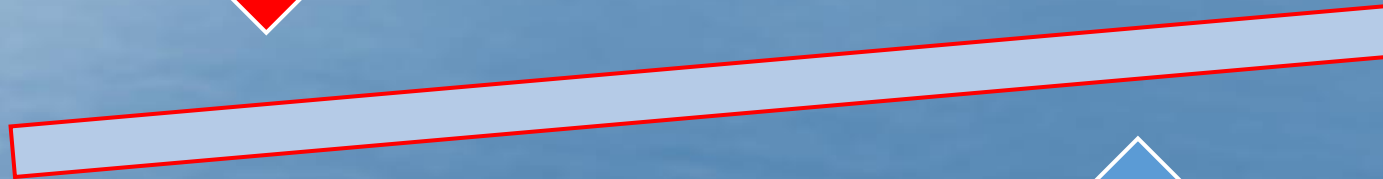
- In 1987 we established the Directors Sea Urchin Advisory committee (DSUAC), now known as California Sea Urchin Commission
- Established by the industry to conserve the resource. Among our actions:
 - Mobilized stakeholders and increased communication between fishermen, fish buyers and the CDFG.
 - Worked with the CDFG to regulate urchin harvests by establishing size limits and a limited entry dive fishery.
 - Supports 20+ year SU settlement data collection
 - **IMPOSED A SELF TAX!**



HOW MY BUSINESS WOULD BE AFFECTED



New tax would equate to a 3417% fish tax increase for my company – totaling more than what the company has earned over the past two years!



THE NEED FOR OTHER FUNDING SOURCES

- **In 2011, a strategic vision process was started by a stakeholder group that included fishermen, fish buyers, environmentalists, land owners, and others.**
- **Progress was made toward developing more broad based tax support for the CDFW, but efforts eventually ceased. Why?**
- **Because of all of the department's other responsibilities that are not related to fishing or hunting, it seems responsible to include other sources of revenue to fund the department.**
- **Enforcement of State Fish & Wildlife laws should be paid from the general budget on a secure funding basis.**

PRESENTER

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