Page

Item # 9 : WAC Proposed Rule Changes to commercial geoduck harvest license application and issuance process – Batch 9 – Rule Briefing

TABLE OF CONTENTS

| Decision Page/"Green sheet" | i-ii |
|---|-------|
| CR 102 | 1-2 |
| Small Business Economic Impact Statement | 3-4 |
| WAC 220-52-01904, Commercial geoduck harvest License application and issuance process for 2015 geoduck diver licenses | 5-7 |
| CR 102 | 8-9 |
| Small Business Economic Impact Statement | 10-11 |
| WAC 220-52-01905, Commercial geoduck harvest-Geoduck diver license Application and issuance process | 12 |
| Presentation | 13-16 |

| Summary | | | |
|----------------|---|--|--|
| Meeting dates: | August 8-9, 2014 | | |
| Agenda item: | Commercial geoduck harvest-License application and issuance process for 2015 – Rule Briefing and Public Hearing | | |
| Presenter(s): | Frank Hawley, Licensing & Budget Policy Manager, and Joanna Eide, Criminal Justice Liaison/Rules Coordinator | | |

Background summary:

The purpose of this proposed rule change is to establish an equitable license application and issuance process for geoduck diver licenses to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning January 1, 2015. This project involves two separate CR-102 filings to accomplish a process for issuing geoduck diver licenses in light of the license limitation beginning January 1, 2015, and to establish a permanent process that WDFW will use to issue geoduck diver licenses after that date and the initial license limitation. These proposed rule changes also address additional application eligibility requirements for geoduck diver licenses as required by RCW 77.65.410.

New WAC 220-52-01904 will operate on a temporary type basis to allow the department to issue licenses for first right of refusal applicants as established in section 2 of HB 1764. WAC 220-52-01904 will be repealed after January 1, 2015, as it will no longer be needed. A separate CR-102 filing to establish a permanent rule for use after January 1, 2015, (New WAC 220-52-01905) is being done in tandem with this rulemaking. The department also proposes amending WAC 220-52-01901 to add geoduck diver licenses to rule provisions as only geoduck fishery licenses were provided for in that rule and a person may harvest geoduck under both a geoduck fishery license and a geoduck diver license. Both licenses need to be mentioned in the WAC.

Policy issue(s) you are bringing to the Commission for consideration: Establish an equitable issuance of 77 geoduck diver licenses each license year.

Public involvement process used and what you learned: DNR and WDFW interacted with and received input from the Geoduck Diver Association in passing the underlying legislation (HB 1764) that made these proposed rule changes necessary. The meetings held regarding HB 1764 allowed the Geoduck Diver Association to participate in formulating the bill. WDFW has included stakeholders in formulating the proposed new license issuance process, and notified stakeholders of the proposed rulemaking as required by the Administrative Procedure Act.

Action requested: N/A. This is a rule briefing and public hearing.

Draft motion language: N/A.

Justification for Commission action: HB 1764 was passed by the Washington State Legislature in 2013. This bill limited the geoduck diver licenses issued by the department to 77 licenses per calendar year beginning in 2015 and imposed new application eligibility requirements.

The department needs these proposed rules to establish an equitable process the department will follow to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning January 1, 2015, and to address new application requirements for geoduck diver licenses. The rule changes promote clarity and establish a clear process for issuing geoduck diver licenses.

Communications Plan: This rule proposal is listed on the department's website on the Current Rule Making Activities page. The department sent notification of the rule change proposal to members of the public who expressed interest in receiving notification of proposed rule changes. The department also shared rule changes with stakeholders and notified holders of geoduck diver licenses and those who indicated their wish to have a first right of refusal for a 2015 geoduck diver license. Because the rule changes in this proposal are administrative in nature, no extensive formal communications plan was necessary. The department will hold a public hearing at the August Fish and Wildlife Commission Meeting and receive public comments at that time as well.

| PROPOSED RULE MAKI | NG CR-102 (June 2012) (Implements RCW 34.05.320) Do NOT use for expedited rule making | | |
|--|--|--|--|
| Agency: Washington Department of Fish and Wildlife | | | |
| Preproposal Statement of Inquiry was filed as WSR <u>14-04-13</u>; or Expedited Rule MakingProposed notice was filed as WSR Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). | ; or Continuance of WSR | | |
| Title of rule and other identifying information: (Describe Subject) WAC 220-52-01901, Commercial geoduck harvest license. New section, WAC 220-52-01904, Commercial geoduck harvest—License application and issuance process for 2015 geoduck diver licenses | | | |
| Hearing location(s): Natural Resources Building, Room 172 1111 Washington St. SE Olympia, WA 98504 | Submit written comments to:Name:Joanna Eide, WDFW Rules CoordinatorAddress:600 Capitol Way North Olympia, WA 98501-1091E-mail:Rules.Coordinator@dfw.wa.govFax:(360) 902-2155by (date)August 1, 2014 | | |
| Date: <u>August 8-9, 2014</u> Time: <u>8:30 a.m.</u> | Assistance for persons with disabilities: Contact | | |
| | Tami Lininger by August 1, 2014 | | |
| Date of intended adoption: <u>On or after August 15, 2014</u> (Note: This is NOT the effective date) | (360) <u>902-2207</u> or TTY at <u>1-800-833-6388</u> | | |
| The purpose of this proposed rule change is to establish an equitable license application and issuance process for geoduck diver licenses to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning January 1, 2015. These proposed rule changes also address additional application eligibility requirements for geoduck diver licenses as required by RCW 77.65.410. New WAC 220-52-01904 will operate on a temporary type basis to allow the department to issue licenses for first right of refusal applicants as established in section 2 of HB 1764. WAC 220-52-01904 will be repealed after January 1, 2015, as it will no longer be needed. A separate rulemaking to establish another more permanent rule for use after January 1, 2015, (New WAC 220-52-01905) is being done in tandem with this rulemaking. The department is also amending WAC 220-52-01901 to add geoduck diver licenses to rule provisions as only geoduck fishery licenses were provided for in that rule and a person may harvest geoduck under both a geoduck fishery licenses issued by the department to 77 licenses per calendar year beginning in 2015 and imposed new application eligibility requirements. The department needs these rules to establish an equitable process the department will follow to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning january 1, 2015, and to address new application requirements for geoduck diver licenses. | | | |
| Statutory authority for adoption: RCW 77.04.012, 77.04.013, 77.12.047, and 77.65.410. | Statute being implemented: RCW 77.04.012, 77.04.013, 77.12.047, and 77.65.410. | | |
| Is rule necessary because of a: Federal Law? Federal Court Decision? State Court Decision? | CODE REVISER USE ONLY OFFICE OF THE CODE REVISER | | |
| If yes, CITATION: | STATE OF WASHINGTON FILED | | |
| DATE July 2, 2014 | DATE: July 02, 2014 TIME: 11:19 AM | | |
| NAME (type or print) Joanna Eide | | | |
| SIGNATURE July Eicht TITLE | WSR 14-14-135 | | |
| Rules Coordinator | | | |

| Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal | | | |
|---|---|--|----------------|
| matters: None. | | | |
| None. | | | |
| | | | |
| | | | |
| | | | |
| Name of pr | opponent: (person or organization) W | ashington Department of Fish and Wildlife | |
| | openent: (persen of organization) h | | Private Public |
| | | | Governmental |
| Name of ac | ency personnel responsible for: | | |
| | Name | Office Location | Phone |
| Drafting | Frank Hawley | 1111 Washington Street SE, Olympia, WA 98504 | (360) 902-2453 |
| Implementati | onFrank Hawley | 1111 Washington Street SE, Olympia, WA 98504 | (360) 902-2453 |
| Enforcement | Steve Crown | 1111 Washington Street SE, Olympia, WA 98504 | (360) 902-2373 |
| Has a smal | I business economic impact state | ment been prepared under chapter 19.85 RCW or has | |
| | | section 1, chapter 210, Laws of 2012? | |
| | Attach convict amolt husiness and | min import statement or ashael district finant import state | mont |
| res. | Attach copy of small business econd | omic impact statement or school district fiscal impact state | ment. |
| | A copy of the statement may be obta | ined by contacting: | |
| | Name: Joanna Eide, WDFW Rul | es Coordinator | |
| | Address: 600 Capitol Way North Olympia, WA 98501-109 | 1 | |
| | Phone: (360) 902-2403 | I | |
| | Fax: (360) 902-2155 | | |
| | E-mail: <u>Rules.Coordinator.@dfw</u> | .wa.gov | |
| | Explain why no statement was prepa | red | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Is a cost-be | enefit analysis required under RCV | V 34.05.328? | |
| 🗌 Yes | A preliminary cost-benefit analysis | may be obtained by contacting: | |
| | Name: | | |
| | Address: | | |
| | phone fax | | |
| | e-mail | | |
| | | | |
| 🛛 No: | This rule change does not affect hy | draulics. | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Small Business Economic Impact Statement Commercial Geoduck Diver Licenses Rule Changes

1. Description of the reporting, record keeping, and other compliance requirements of the proposed rule:

These proposed rule changes will allow the equitable issuance of 77 geoduck diver licenses and will allow the Department of Fish and Wildlife (WDFW) to address the limitation of 77 geoduck diver licenses issued per calendar year by the Washington State Legislature in HB 1764.

The right of first refusal applicants that meet the stated qualifications received by WDFW by January 28, 2014, will be given the first right of refusal for up to 77 licenses. The applicants must provide proof that they were included on a Department of Natural Resources (DNR) harvest agreement plan of operation in 2011, 2012, 2013, or 2014. These requirements are already effective in state law. The proposed rule changes in this rulemaking are administrative in nature and detail the process WDFW will follow in complying with changes to state law to limit geoduck diver licenses to 77 per year.

Other than providing the information required for an application for a geoduck diver license, such as proof of a DNR harvest agreement and proof of diver safety completion, there are no additional reporting and record keeping requirements.

2. Kinds of professional services that a small business is likely to need in order to comply with such requirements:

These rules provide the process WDFW will use to implement state law limiting the number of geoduck diver licenses to 77 per calendar year. There are no anticipated professional services required to comply with these rule changes.

3. Costs of compliance for businesses, including costs of equipment, supplies, labor, and increased administrative costs:

The proposed rule limits the number of geoduck diver licenses to 77 licenses per year as required by HB 1764 and detail the process WDFW will use to ensure the equitable issuance of geoduck diver licenses due to the license limitation. The proposed rules do not require any additional equipment, supplies, labor, or administrative costs as the rules are administrative in nature. Therefore, there are no expected additional costs to comply with the proposed rules.

4. Will compliance with the rule cause businesses to lose sales or revenue?

The proposed rules do not affect the harvestable numbers of geoducks available to non-treaty businesses. Therefore, the proposed rules should not cause any businesses to lose sales or revenue.

Since the rules address the limitation of the number of geoduck diver licenses WDFW may issue to 77 licenses per year as required by statute, it is possible that this limitation may impact the ability of a business to engage in geoduck harvest if the business is unable to obtain a license. However, this license limitation is required by statute and these proposed rules simply implement the process WDFW will use to ensure compliance with that limitation.

- 5. Cost of compliance for small businesses compared with the cost of compliance for the ten percent of businesses that are the largest businesses required to comply with the proposed rules using one or more of the following as a basis for comparing costs:
 - 1. Cost per employee;
 - 2. Cost per hour of labor; or
 - 3. Cost per one hundred dollars of sales

None - The proposed rules do not require any additional equipment, supplies, labor, or administrative costs. The application fees remain unchanged. Additional costs may be incurred by businesses to meet the qualifications required to be eligible for a license, however, those costs are not determined by these rules and are required by current state law.

6. Steps taken by the agency to reduce the costs of the rule on small businesses, or reasonable justification for not doing so:

Most businesses affected by these rules are small individual contractors for small and large businesses. As indicated above, all of the gear restrictions proposed by the rules are identical to gear restrictions WDFW has required in past geoduck seasons. Therefore, these rules will not directly impose new costs on small businesses.

Because the geoduck diver license limitation is already effective via statute, WDFW is unable to reduce costs to small businesses due to that license limitation. These proposed rules are administrative in nature.

7. A description of how the agency will involve small businesses in the development of the rule.

DNR and WDFW interacted with and received input from the Geoduck Diver Association in passing the underlying legislation (HB 1764) for these rule changes. These meetings allowed the Geoduck Diver Association to participate in formulating the bill that made these rule changes necessary. WDFW will also share the rule language and proposed process for applications for geoduck diver licenses with affected businesses and receive input from those individuals as part of this rulemaking. Affected businesses will also have an opportunity to provide public comment during the public hearing on these rule changes.

8. A list of industries that will be required to comply with the rule:

All individuals wishing to obtain a geoduck diver license will be required to comply with these rules. In general, businesses affected by these rules are small individual contractors for small and large businesses engaged in the seafood processing, wholesale, and retail industry.

9. An estimate of the number of jobs that will be created or lost as a result of compliance with the proposed rule.

These rules are administrative in nature and detail the process WDFW will use to comply with the limitation of geoduck diver licenses to 77 per calendar year by HB 1764, passed by the Legislature in 2013. This limitation is required by statute. These rules simply detail WDFW's process and do not affect that license limitation. Therefore, the rules will not have an impact on job creation or job loss.

AMENDATORY SECTION (Amending WSR 12-23-016, filed 11/9/12, effective 12/10/12)

WAC 220-52-01901 Commercial geoduck harvest license. (1) It is unlawful to commercially harvest geoducks unless the harvester possesses a valid, director-issued geoduck fishery license <u>or geoduck</u> <u>diver license</u>. A geoduck fishery license card is a "license card" under WAC 220-69-270.

(2) Only persons holding current geoduck harvest agreements from the department of natural resources or their agents may apply for <u>a</u> geoduck fishery license((s)). An application for a geoduck fishery license must be fully completed on a form provided by the department and accompanied by a copy of the geoduck harvest agreement for which the license is sought.

(3) Each geoduck fishery license authorizes the use of two water jets or other units of geoduck harvest gear. Commercial geoduck harvesting gear must meet the requirements of WAC 220-52-019.

(4) Holders of geoduck fishery licenses <u>and geoduck diver licen-</u> <u>ses</u> must comply with all applicable commercial diving safety regulations adopted by the Federal Occupational Safety and Health Administration established under the Federal Occupational Safety and Health Act of 1970, 29 U.S.C. 651 et. seq. Some of these regulations appear at 29 C.F.R. Part 1910, Subpart T.

(a) The director may suspend or revoke a geoduck <u>fishery</u> license or <u>geoduck diver license</u> used in violation of commercial diving safety regulations, including 29 C.F.R. Part 1910, Subpart T, adopted under the Occupational Safety and Health Act of 1970. The procedures of chapter 34.05 RCW apply to these suspensions or revocations.

(b) If there is a substantial probability that a violation of commercial diving safety regulations could result in death or serious physical harm to a person harvesting geoducks, the director may immediately suspend the license until the violation is corrected. If the violator fails to correct the violation within ten days of notice of the violation, the director may revoke the violator's geoduck <u>fishery or geoduck diver</u> license. The director may not revoke a geoduck <u>fishery or geoduck diver</u> license if the holder of the harvesting agreement corrects the violation within ten days of receiving written notice of the violation.

[1]

WAC 220-52-01904 Commercial geoduck harvest—License application and issuance process for 2015 geoduck diver licenses. To ensure compliance with RCW 77.65.410 and chapter 204, section 2, Laws of 2013 (2SHB 1764), and the equitable issuance of geoduck diver licenses, the department adopts the following provisions to address the limitation of geoduck diver licenses to 77 licenses in 2015:

(1) Effective January 1, 2015, no more than 77 geoduck diver licenses may be issued per calendar year.

(2) Individuals who had first right of refusal for a 2015 geoduck diver license as provided in chapter 204, section 2, Laws of 2013 (2SHB 1764), and indicated his or her intent to purchase a geoduck diver license by January 28, 2014, must apply for a 2015 geoduck diver license prior to 5:00 p.m. on December 1, 2014.

(a) If more than 77 qualified applicants who had first right of refusal apply for a 2015 geoduck diver license prior to 5:00 p.m. on December 1, 2014, the department will conduct a random drawing to determine the applicants who will be issued one of the 77 available geoduck diver licenses.

(b) If the department receives less than 77 applications from qualified "first right of refusal" applicants by December 1, 2014, the department will consider applications to renew licenses as provided in RCW 77.65.410. Those who held a geoduck diver license in 2014 and who were listed on a department of natural resources geoduck harvest plan in 2014, but who did not indicate their intent to exercise a first right of refusal by January 28, 2014, may apply to renew after December 1, 2014, and the department will process those applications on a daily basis, in the order received, up to the renewal deadline of December 31, 2014, until the cap of 77 geoduck diver licenses has been reached. If the department receives more than one application to renew a geoduck diver license in a calendar day, and issuing licenses to all applicants received in that calendar day would exceed 77 geoduck diver licenses, the department will conduct a random drawing among the applications received that calendar day to determine which of the applicants will receive a renewed geoduck diver license for 2015.

(c) If the number of geoduck diver licenses issued to both "first right of refusal" applicants and "renewal" applicants is still less than 77 on January 1, 2015, the department will issue licenses for qualified applicants for a 2015 geoduck diver license in the order the applications are received. However, if the department receives more than one application in a calendar day and issuing licenses to all applicants received in that calendar day would exceed 77 geoduck diver licenses, the department will conduct a random drawing among the applications received that calendar day to determine which of the applicants will receive a geoduck diver license for 2015.

(3) For the purposes of this section, a "qualified applicant" is a person who submits the following when applying for a geoduck diver license:

(a) A complete, legible, and signed application form;

(b) A copy of a department of natural resources (DNR) geoduck harvest agreement plan of operation that lists the applicant on the agreement. The copy of the harvest agreement plan of operation can be from 2011, 2012, 2013, or 2014 for "first right of refusal" applicants, but must be from 2014 for "renewal" applicants; (c) The application and license fees as provided in RCW 77.65.440; and

(d) For any application received on or after January 1, 2015, proof of completion of the DNR geoduck diver safety program.

| PROPOSED RULE MAKIN | NG CR-102 (June 2012) (Implements RCW 34.05.320) Do NOT use for expedited rule making | | |
|---|---|--|--|
| Agency: Washington Department of Fish and Wildlife | | | |
| ☑ Preproposal Statement of Inquiry was filed as WSR <u>14-04-132</u> or ☑ Expedited Rule MakingProposed notice was filed as WSR | Supplemental Notice to WSR | | |
| Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). Title of rule and other identifying information: (Describe Subject) New section, WAC 220-52-01905, Commercial geoduck harve process | | | |
| Hearing location(s): Natural Resources Building, Room 172 1111 Washington St. SE Olympia, WA 98504 | Submit written comments to:Name:Joanna Eide, WDFW Rules CoordinatorAddress:600 Capitol Way North Olympia, WA 98501-1091E-mail:Rules.Coordinator@dfw.wa.govFax:(360) 902-2155by (date) August 1, 2014 | | |
| Date: <u>August 8-9, 2014</u> Time: <u>8:30 a.m.</u> | Assistance for persons with disabilities: Contact | | |
| Date of intended adoption: On or after August 15, 2014 | Tami Lininger by August 1, 2014 | | |
| (Note: This is NOT the effective date) Purpose of the proposal and its anticipated effects, including an | (360) <u>902-2207</u> or TTY at <u>1-800-833-6388</u> | | |
| The purpose of this proposed rule change is to establish an equitable license application and issuance process for geoduck diver licenses to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning January 1, 2015. These proposed rule changes also address additional application eligibility requirements for geoduck diver licenses as required by RCW 77.65.410. Reasons supporting proposal: HB 1764 was passed by the Washington State Legislature in 2013. This bill limited the geoduck diver licenses issued by the department to 77 licenses per calendar year beginning in 2015 and imposed new application eligibility requirements. The department needs these rules to establish an equitable process the department will follow to comply with changes to state law to limit geoduck diver licenses to 77 per year beginning January 1, 2015, and to address new application requirements for geoduck diver licenses. | | | |
| Statutory authority for adoption: RCW 77.04.012, 77.04.013, 77.12.047, and 77.65.410. | Statute being implemented: RCW 77.04.012, 77.04.013, 77.12.047, and 77.65.410. | | |
| Is rule necessary because of a: Federal Law? Federal Court Decision? State Court Decision? Yes No Yes No Yes No Yes Yes No Yes Yes Yes No | CODE REVISER USE ONLY OFFICE OF THE CODE REVISER STATE OF WASHINGTON | | |
| DATE July 2, 2014 | DATE: July 02, 2014 | | |
| NAME (type or print) Joanna Eide | | | |
| SIGNATURE July Eich | WSR 14-14-136 | | |
| TITLE Rules Coordinator | | | |

| Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: | | | |
|--|---|---|-------------------|
| None. | | | |
| | | | |
| | | | |
| | | | |
| Nama af m | | Laskington Dagarter aut of Fish and Wildlife | |
| Name of pl | oponent: (person or organization) w | ashington Department of Fish and Wildlife | Private |
| | | | Governmental |
| Name of ag | jency personnel responsible for: | | |
| | Name | Office Location | Phone |
| | Frank Hawley | 1111 Washington Street SE, Olympia, WA 98504 | (360) 902-2453 |
| | onFrank Hawley | 1111 Washington Street SE, Olympia, WA 98504 | (360) 902-2453 |
| | Steve Crown | 1111 Washington Street SE, Olympia, WA 98504 ment been prepared under chapter 19.85 RCW or has a | (360) 902-2373 |
| | | section 1, chapter 210, Laws of 2012? | a school district |
| - | | | |
| Yes. | Attach copy of small business econo | omic impact statement or school district fiscal impact state | ment. |
| | A copy of the statement may be obta | ined by contacting: | |
| | Name: Joanna Eide, WDFW Rul | | |
| | Address: 600 Capitol Way North Olympia, WA 98501-109 | 1 | |
| | Phone: (360) 902-2403 | · | |
| | Fax: (360) 902-2155 | | |
| | E-mail: <u>Rules.Coordinator.@dfw</u> | <u>.wa.gov</u> | |
| 🗌 No. | Explain why no statement was prepa | red. | |
| | | | |
| | | | |
| | | | |
| | | | |
| Is a cost-b | enefit analysis required under RCV | N 34.05.328? | |
| 🗌 Yes | A preliminary cost-benefit analysis | may be obtained by contacting: | |
| | Name: | may be obtained by contacting. | |
| | Address: | | |
| | phone fax | | |
| | e-mail | | |
| 🖂 No: | This rule change does not affect hy | draulics | |
| ⊠ N 0. | This fulle change does not affect hy | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| 1 | | | |

Small Business Economic Impact Statement Commercial Geoduck Diver Licenses Rule Changes

1. Description of the reporting, record keeping, and other compliance requirements of the proposed rule:

These proposed rule changes will allow the equitable issuance of 77 geoduck diver licenses and will allow the Department of Fish and Wildlife (WDFW) to address the limitation of 77 geoduck diver licenses issued per calendar year by the Washington State Legislature in HB 1764.

The right of first refusal applicants that meet the stated qualifications received by WDFW by January 28, 2014, will be given the first right of refusal for up to 77 licenses. The applicants must provide proof that they were included on a Department of Natural Resources (DNR) harvest agreement plan of operation in 2011, 2012, 2013, or 2014. These requirements are already effective in state law. The proposed rule changes in this rulemaking are administrative in nature and detail the process WDFW will follow in complying with changes to state law to limit geoduck diver licenses to 77 per year.

Other than providing the information required for an application for a geoduck diver license, such as proof of a DNR harvest agreement and proof of diver safety completion, there are no additional reporting and record keeping requirements.

2. Kinds of professional services that a small business is likely to need in order to comply with such requirements:

These rules provide the process WDFW will use to implement state law limiting the number of geoduck diver licenses to 77 per calendar year. There are no anticipated professional services required to comply with these rule changes.

3. Costs of compliance for businesses, including costs of equipment, supplies, labor, and increased administrative costs:

The proposed rule limits the number of geoduck diver licenses to 77 licenses per year as required by HB 1764 and detail the process WDFW will use to ensure the equitable issuance of geoduck diver licenses due to the license limitation. The proposed rules do not require any additional equipment, supplies, labor, or administrative costs as the rules are administrative in nature. Therefore, there are no expected additional costs to comply with the proposed rules.

4. Will compliance with the rule cause businesses to lose sales or revenue?

The proposed rules do not affect the harvestable numbers of geoducks available to non-treaty businesses. Therefore, the proposed rules should not cause any businesses to lose sales or revenue.

Since the rules address the limitation of the number of geoduck diver licenses WDFW may issue to 77 licenses per year as required by statute, it is possible that this limitation may impact the ability of a business to engage in geoduck harvest if the business is unable to obtain a license. However, this license limitation is required by statute and these proposed rules simply implement the process WDFW will use to ensure compliance with that limitation.

- 5. Cost of compliance for small businesses compared with the cost of compliance for the ten percent of businesses that are the largest businesses required to comply with the proposed rules using one or more of the following as a basis for comparing costs:
 - 1. Cost per employee;
 - 2. Cost per hour of labor; or
 - 3. Cost per one hundred dollars of sales

None - The proposed rules do not require any additional equipment, supplies, labor, or administrative costs. The application fees remain unchanged. Additional costs may be incurred by businesses to meet the qualifications required to be eligible for a license, however, those costs are not determined by these rules and are required by current state law.

6. Steps taken by the agency to reduce the costs of the rule on small businesses, or reasonable justification for not doing so:

Most businesses affected by these rules are small individual contractors for small and large businesses. As indicated above, all of the gear restrictions proposed by the rules are identical to gear restrictions WDFW has required in past geoduck seasons. Therefore, these rules will not directly impose new costs on small businesses.

Because the geoduck diver license limitation is already effective via statute, WDFW is unable to reduce costs to small businesses due to that license limitation. These proposed rules are administrative in nature.

7. A description of how the agency will involve small businesses in the development of the rule.

DNR and WDFW interacted with and received input from the Geoduck Diver Association in passing the underlying legislation (HB 1764) for these rule changes. These meetings allowed the Geoduck Diver Association to participate in formulating the bill that made these rule changes necessary. WDFW will also share the rule language and proposed process for applications for geoduck diver licenses with affected businesses and receive input from those individuals as part of this rulemaking. Affected businesses will also have an opportunity to provide public comment during the public hearing on these rule changes.

8. A list of industries that will be required to comply with the rule:

All individuals wishing to obtain a geoduck diver license will be required to comply with these rules. In general, businesses affected by these rules are small individual contractors for small and large businesses engaged in the seafood processing, wholesale, and retail industry.

9. An estimate of the number of jobs that will be created or lost as a result of compliance with the proposed rule.

These rules are administrative in nature and detail the process WDFW will use to comply with the limitation of geoduck diver licenses to 77 per calendar year by HB 1764, passed by the Legislature in 2013. This limitation is required by statute. These rules simply detail WDFW's process and do not affect that license limitation. Therefore, the rules will not have an impact on job creation or job loss.

WAC 220-52-01905 Commercial geoduck harvest-Geoduck diver license application and issuance process. (1) The department will not consider incomplete applications for a geoduck diver license. The following information is required to apply for or renew a geoduck diver license:

(a) A complete, legible, and signed application form;

(b) The application and license fees as provided in RCW 77.65.440;

(c) Proof of completion of the department of natural resources (DNR) geoduck diver safety program; and

(d) For applications to renew only, a copy of a DNR geoduck harvest agreement plan of operation that lists the applicant on the agreement during the applicable current calendar year.

(2) No more than 77 geoduck diver licenses may be issued per calendar year.

(3) Applicants may submit applications to the department:

(a) By mailing to 600 Capitol Way N., Olympia, WA 98501-1091;

(b) By faxing to 360-902-2945; or

(c) In person at the WDFW licensing front desk, first floor, natural resources building at 1111 Washington St. S.E., Olympia, WA 98501.

(4) The department must receive applications to renew a geoduck diver license by December 31st of the year the licensee's current geoduck diver license expires. If less than 77 geoduck diver licenses have been issued after the department approves all qualifying applications to renew a geoduck diver license, the department will issue additional licenses, up to the 77 geoduck diver license limit, to qualified applicants in the order they are received. If the department receives more than one application for a geoduck diver license in a calendar day, and issuing licenses to all applicants received in that calendar day would exceed 77 geoduck diver licenses, the department will conduct a random drawing among the applications received that calendar day to determine which of the applications received in that calendar day will be issued a geoduck diver license.

Geoduck Diver License Rulemaking Briefing and Public Hearing

Fish and Wildlife Commission, August 2014

Department of Fish and Wildlife

Frank Hawley, WDFW Licensing Joanna Eide, Rules Coordinator



<section-header><section-header><text><list-item><list-item><list-item><list-item><text>

2013 Legislation: House Bill (2SHB)1764

Industry Requested Legislation - Effective July 2013

DNR-Role Establishes Safety Committee and Certification:

- Managed with DNR-Stakeholders-WDFW-Labor and Industries
- Required to issue Dive License starting 01/01/15
- Maintains list of certified safety divers

WDFW-Role: Beginning (January 1, 2015) Issue no more than 77 Geoduck Dive Licenses

- Provides priority for 2015 licenses to geoduck divers from 2011 to 2014 with conditions:
 - Listed on DNR Plan of Operations
 - Divers License in 2011, 2012, 2013, or 2014.
- Required divers to apply for first right of refusal by 01/28/2014

Department of Fish and Wildlife



<section-header><section-header><section-header><section-header><list-item><list-item><list-item><list-item><list-item><list-item>

Proposed Rule Changes

New WAC 220-52-1905 – For use after Jan. 1, 2015:

- Establishes a more permanent, long-term, equitable license issuance process for Geoduck Diver Licenses
- Applicants must be listed on DNR Harvest Plan
- Essentially reverts back to current process for issuance, plus the new DNR safety requirements for eligibility
- Carries forward the steps WDFW will take should a drawing be necessary (if more than 77 applicants occur)

Department of Fish and Wildlife

Proposed Rule Changes

WAC 220-52-1901 – Commercial Geoduck Harvest License:

- Housekeeping: Geoduck Diver License Currently not Mentioned in WAC
- Both a Geoduck Fishery License and a Geoduck Diver License may be used to harvest geoducks
- Both licenses need to be in the rule for clarity and to ensure WDFW may meet its responsibilities in managing both licenses

6

