

HOUSE BILL REPORT

HB 3102

As Reported by House Committee On:
Natural Resources, Ecology & Parks
Capital Budget

Title: An act relating to geoduck harvesting.

Brief Description: Providing guidelines for the issuance and renewal of a geoduck diver license and requiring harvesters to help reseed state commercial beds.

Sponsors: Representatives B. Sullivan, Buck, Appleton, Eickmeyer, Pearson, Campbell and Hasegawa.

Brief History:

Committee Activity:

Natural Resources, Ecology & Parks: 2/2/06 [DPS];
Capital Budget: 2/6/06 [DPS(NREP)].

Brief Summary of Substitute Bill

- Creates a limited entry geoduck diver license program by prohibiting the Department of Fish and Wildlife from issuing new geoduck diver licenses after July 1, 2006.

HOUSE COMMITTEE ON NATURAL RESOURCES, ECOLOGY & PARKS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives B. Sullivan, Chair; Upthegrove, Vice Chair; Buck, Ranking Minority Member; Kretz, Assistant Ranking Minority Member; Blake, Dickerson, Eickmeyer, Hunt and Kagi.

Minority Report: Do not pass. Signed by 2 members: Representatives Chandler and Orcutt.

Staff: Jeff Olsen (786-7157).

Background:

Commercial harvest of geoduck clams on state-owned aquatic lands is managed jointly by the Department of Natural Resources (DNR), the Washington Department of Fish and Wildlife (DFW), and, as a result of a federal court decision, the Puget Sound Treaty Indian tribes. The federal court affirmed the tribes' right to 50 percent of the annual commercial harvest of geoducks and established cooperative shellfish resource management requirements for the

state and the tribes. The state and the tribes are responsible for estimating geoduck population size, determining sustainable yield, and minimizing adverse effects to the environment.

The DNR is required to manage geoducks as valuable materials and offer commercial harvest rights to the highest bidder. Half of the revenue supports management of state-owned aquatic lands and resources, and the other half supports the Aquatic Lands Enhancement Account for public access and habitat restoration.

Commercial licenses allowing participation in geoduck fisheries are managed by the DFW. Unless otherwise restricted, there are generally no limits imposed on the number of persons wishing to participate in a fishery. Fisheries that have restrictions on the number of persons that may participate are called limited entry fisheries. Examples of limited entry fisheries include certain commercial salmon fisheries and the commercial Dungeness crab fishery.

Divers engaged in the commercial harvest of geoduck clams must obtain a nontransferable license from the DFW. Geoduck diver licenses cost \$185 for a resident and \$295 for a nonresident. There are currently no restrictions to the number of qualified persons wishing to obtain a geoduck diver license.

Summary of Substitute Bill:

After July 1, 2006, the Director of the DFW may not issue new geoduck diver licenses. A person may renew an existing license only if they held a geoduck license in 2004 and held a geoduck diver license for five of the ten years between 1994 and 2003.

Geoduck diver licenses are nontransferable and license holders must perform the harvesting. The Director of the DFW must revoke geoduck diver licenses that are not renewed by December 31 of each year. The Director of the DFW may reissue a license if another license is surrendered. The limited entry license program expires on June 30, 2008.

The DNR and the DFW must study the impacts of the license restrictions and report findings and recommendations to the Legislature by December 15, 2007. The report must include an evaluation of the economic impacts to state geoduck revenues, the effect on harvest practices, and the economic impacts to geoduck divers.

Substitute Bill Compared to Original Bill:

The substitute bill removes the requirement for licensed geoduck divers to plant seed provided by a state hatchery onto state beds. The substitute bill removes a provision allowing the transfer of a geoduck license under certain circumstances. The substitute bill authorizes the Director of the DFW to reissue a license if another license is surrendered. The substitute bill requires the DNR and the DFW to evaluate the license restrictions and report findings to the Legislature by December 15, 2007.

Appropriation: None.

Fiscal Note: Requested on January 26, 2006.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support of original bill) There is currently 60 percent unemployment among licensed geoduck divers. With open access to the geoduck diver license, a diver can be easily replaced. There is pressure for divers to harvest only top grade geoducks, which leads to improper harvest practices. If a diver does not produce, the diver is replaced. Tribal divers are able to offer the tribal share of the harvest to a purchaser and also participate in the state fishery. Alaska has a limited license program. The license should be non-transferable to keep away market speculation on the limited number of licenses.

Testimony Against: (Opposed to original bill) The DNR supports geoduck reseeding and evaluating the effectiveness of new technologies to conduct subtidal reseeding. The DNR does enforce geoduck harvest high-grading rules with purchasers, including monitoring with divers and cameras. If a purchaser is caught high grading, the purchaser and not the diver must pay. The DNR is concerned that if there are not enough divers it will reduce geoduck revenues to the state. The state auctions geoduck tracts to purchasers who would have a limited pool of divers available to harvest geoducks if the bill passes. Revenues from the sale of geoducks is used to support state services and public access to shorelines, offsetting the need for State General Fund revenues.

Persons Testifying: (In support of original bill) Gordon Baxter and Sam Swanson, Harvest Divers Union.

(Opposed to original bill) Fran McNair and Loren Stern, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill by Committee on Natural Resources, Ecology & Parks be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Blake, Chase, Eickmeyer, Ericks, Flannigan, Green, Hasegawa, Kretz, McCune, Moeller, Morrell, O'Brien, Springer and Upthegrove.

Minority Report: Do not pass. Signed by 8 members: Representatives Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Clements, Cox, Kristiansen, Newhouse, Roach and Serben.

Staff: Jeff Olsen (786-7157).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Natural Resources, Ecology & Parks:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) There is 60 percent unemployment among geoduck divers. While there is discussion about a decline in state revenues if a limited license program is adopted, the bill is revenue neutral. Geoduck divers do not set prices, the purchasers bid on geoduck at public auctions. Canadian, Alaskan, and tribal divers can participate in the Washington fishery, but Washington divers can't participate in their fisheries. Divers are paid by the pound to harvest geoduck, and they do not have unemployment insurance and are not covered by The Department of Labor and Industries.

Testimony Against: The DNR estimates that due to a shortage of divers and increased costs to harvest, the state will lose approximately \$700,000 in geoduck revenues in Fiscal Year 2007. Approximately \$8 million per year in revenues from geoduck sales are deposited in the Resource Management Cost Account and the Aquatic Lands Enhancement Account. Moneys in those accounts are used to pay for aquatic land management and a grant program for public access to marine areas. There is currently a seasonal shortage of geoduck harvesters, and this would make the problem worse. Under the limited license proposal in the bill, there are current license holders that would not qualify for a license renewal, resulting in a further decrease in the current number of divers.

Persons Testifying: Sam Swanson, Harvest Divers Union; and Fran McNair, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.