



Oregon

COASTAL NOTES

Vol. 3 No.6

Published by the Oregon Coastal Zone Management Association, Inc.

March 22, 1991

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R&E funding bill headed to committee

The Ways and Means Natural Resources Subcommittee worked on a bill Friday, March 15th, to extend the Restoration and Enhancement Program through 1997.

The Program, created in the 1989 Legislature, is supported by surcharges on sport fishing licenses and commercial fishing permits and poundage fees.

The bill will be sent to the full committee, although the Subcommittee left open the timing of this bill in relation to the entire Oregon Department of Fish and Wildlife (ODFW) budget.

New Publication

Pacific Whiting:
Resource Availability, Market Use and Economic Development Potential of Pacific Whiting

24-Page Report • Softbound
\$5 including shipping and handling
Available from the OCZMA office:
P.O. Box 1033, 313 S.W. 2nd,
Suite C, Newport, OR 97365

Ways and Means Hears Agriculture Budget OCZMA Reports on Pacific Whiting Project

The Ways and Means Natural Resources Subcommittee continued to hear testimony on the budget last Monday, March 18, for the Department of Agriculture but a major focus of the hearing was testimony on the Pacific whiting (*Merluccius productus*) project.

The Subcommittee received copies of the published report—*Pacific Whiting: Resource Availability, Market Use and Economic Development Potential of Pacific Whiting*—and heard presentations by: Jay Rasmussen (OCZMA director and Steering Committee chairman), Hans Radtke (project coordinator), Dr. Gil Sylvia (principal investigator), Joe Easley (Steering Committee member), and Katy Coba (Department of Agriculture representative and Steering Committee member).

Coba presented copies of the 24-page project report that noted: "The Department's 1989-91 budget directed efforts be made to assure the development of a Pacific whiting fishery for Oregon shore-based production as part of the state's economy. To that end, the Department in cooperation with the Economic Development Department and Captain R. Barry Fisher, contributed to an assessment of the Pacific whiting resource that resulted in:

- Establishment of steering and technical committees and the conducting of over 10 meetings during the past 20 months;
- Conducting a major national market study of Pacific whiting under the auspices of the Coastal Oregon Marine Experiment Station, Oregon State University;
- Hosting a two-day technical seminar in Astoria with nearly 100 attendees;
- Completion of a comprehensive review of the resource, its existing and potential markets, and the necessary infrastructure requirements for on-shore processing;
- Publication of overview and summary reports on Pacific whiting and individual technical reports;
- Assistance to the 1991 Pacific whiting allocation process under the Pacific Fishery Management Council."

The Subcommittee seemed to welcome the prospect of hearing about a major source of revenue for the coast and for the state. After providing the Subcommittee with a brief history of West Coast fisheries, and explaining the "window of opportunity" created for Oregon in the process of the Americanization of fisheries out to 200 miles, the discussion focused on the issue of product quality.

Because of the nature of Pacific whiting, proper handling is critical at all stages of production to prevent processing—together with an enzyme occurring naturally in a small percentage of the fish—from breaking down its already soft texture.

Sylvia, a natural resources economist with the Coastal Oregon Marine Experiment Station, said that 10 years ago, Alaskan pollock was talked about in the same language as whiting is being talked about today. "It's amazing how attitudes change

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Report on Whiting project

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when economics and markets change—the tastes of the consumer are shaped by marketing and economics,” Sylvia concluded.

Rasmussen told the Subcommittee that the private funding is available for onshore processing, although until recently, delay in the allocation by the Pacific Fishery Management Council (PFMC) made it difficult to obtain financial support. The technical assistance for this project and continued support from the Department of Agriculture are critical at this juncture. Also, the Oregon Economic Development Department’s Business Development Fund is a major source of public support for new processing capabilities for Pacific whiting.

The presenters were complimented by Subcommittee members on the products of the work.

Coba next presented the result of a comprehensive analysis on fee structures, used to determine whether larger policy issues could be generated by such a study.

Spurred on by a budget note from last session, the Department did a two-year study focusing on commodities to determine whether there was a direct relationship between the cost of a program to the general fund and fees for similar programs. The study found that there was no direct relationship. The fee increases usually are born by the user or consumer of a product, and the key issue was to determine whether the money being put into the general fund from user

fees was actually getting back into that same area.

Several recommendations to the budget committee were generated from the study:

- Unless arguments can be made otherwise, fees should be based on cost;
- An agency director should have authority to adjust fees;
- Specific policy should be adopted on subsidies;
- A number of questions should be addressed when the budget committee is hearing fee decisions including:
 - ...What proportion of the costs of the program are represented by the fees?
 - ...Is no service or regulation in an area acceptable to the public?
 - ...Is there an acceptable lower level of service that can be put forth confidently?
 - ...Should costs be borne by the consumer or the general public? (This may or may not be the same thing.)
 - ...What distinguishes this program from other programs being offered by the Department?

While the Department had generated this normative approach to the budget decision process, the next step is to determine how well individual budgets as well as the state’s budget reflect this kind of approach.

—Mara Brown with Jay L. Rasmussen

Coastal Caucus Breakfast

Ocean management issues addressed

Bob Bailey came from the hub of agency networking to address ocean management issues during breakfast with the Coastal Caucus last Monday, March 18. Bailey is the Outer Continental Shelf (OCS) Coordinator for the Ocean Resources Division of the Oregon Department of Land Conservation and Development (DLCD).

Bailey framed his discussion around the 1990 reauthorization of the federal Coastal Zone Management Act (CZMA). With the re-authorization, Congress strengthened the role of the state in offshore management activities, categorically stating that federal activities such as lease sales and dredge and fill activities would have to be consistent with state land use goals. There is hope the issue of federal consistency will be extended to include coastal planning activities—eg. those of the Army Corps of Engineers.

Bailey also mentioned the new CZMA requirement that

states develop a non-point source (NPS) pollution plan within five years. Bailey doesn’t anticipate a significant change in the way the state currently deals with NPS pollution, but the issue will be brought to the attention of the public and will perhaps result in an increased push to prevent NPS pollution in the coastal zone.

The discussion of federal consistency led right in to talking about the history and future of Ocean Management Planning in Oregon. Bailey said that all federal activities out to 200 miles would have to be consistent with Oregon’s Ocean Management Plan, which was developed as a result of a legislative mandate from the 1989 legislative session. LCDC has a bill in to change the Ocean Resources Management Task Force into an Ocean Resource Management Council. (In next week’s *Coastal Notes*, look for updates on this bill and offshore mineral mining.)

—Mara Brown, Legislative Fellow

Senate Agriculture Committee hears oil spill legislation

Several bills relating to oil contingency planning have been the focus of a work group endeavoring to formulate a single piece of legislation that addresses the Willamette and Columbia River systems, oil spill contingency planning throughout the state-owned waters, and spill liability issues.

On Wednesday, March 13th, the Senate Agriculture and Natural Resources Committee heard testimony from Bruce Sutherland and Andy Schaedel representing the Department of Environmental Quality (DEQ). Sutherland and Schaedel stepped through the process of these deliberations--SB 242-2.

The new version of SB 242 reflects the cutting and pasting of many elements from each bill. SB 242-2 requires a contingency plan for oil and hazardous materials for cargo vessels greater than 300 gross tons, oil terminal facilities, offshore exploration and production facilities, tanker vessels and barges, and pipelines. A plan is required to be submitted by the vessel or facility owner or operator and is to be renewed every 5 years. There are civil penalties up to \$10,000 per day if no plan is submitted. The contingency plan required of the bill stipulates proof of financial assurance as outlined in the original DEQ bill. For tankers and barges over 3000 gross tons, proof of \$1,200 per GT up to \$10 million is required.

The largest barge operating on the Columbia is slightly over 8,000 gross tons for refined oil. Tankers on the Columbia average about 35,000 gross tons. The financial assurance standards adopted in this amended version of SB 242 reflect federal financial assurance limits. SB 242-2 also requires vessels to have two officers on deck

at all times, demonstration of structural integrity, and storage of booms. The issue of double hulls was not addressed in the bill because it is required under the 1990 Federal Oil Pollution Act.

The boom storage issue raised a bit of concern from testimony by the Steamship Operators. There is also question whether state requirement of booms supersedes federal law. The new bill also requires Harbor and Regional Safety Committees.

Curt Oxley, a representative of the Government and Public Affairs Unit of Arco Marine, testified in support of SB 242-2. Oxley stated that the Federal Oil Pollution Act reserved a complimentary role for the state in the area of oil spill prevention. Oxley testified that the legislation under consideration was balanced, and did not diminish the competitiveness of the Port of Portland. He felt the regulations could be implemented fairly quick.

Oxley made additional comments on related issues. Preferably, he said, SB 500—the Ocean Resources Compact—would remain a separate bill, and that consideration be made for responders of an oil spill to have limited immunity from liability. He expressed caution on the issue of funding, stating he would refrain from commenting directly until there is more clarity about the fee structure and who would pay. SB 242-2 gives the state the authority to assess a fee for review of a contingency plan.

—Mara Brown
Legislative Fellow

Senate Agriculture and Natural Resources Committee Calendar

Monday March 25; 8:15 a.m.; HRC

The following bills are scheduled for a public hearing:

- SB 613: Limits sale or use of CFC's contributing to stratospheric ozone depletion.
- SB 699: Prohibits sale or use of polystyrene containers for bait used in angling activities.
- SB 726: Prohibits use of polystyrene products in connection with angling activities.
- SB 162: Replaces Oregon Ocean Resources Management Task Force with Ocean Policy Advisory Council.

Monday March 25; 5:30 p.m.; HRB

The following bills are scheduled for a work session:

- SB 261: Requires encapsulation of submersible polystyrene device installed on dock, buoy or float in waters of state.
- SB 614: Increases commercial fishing poundage fees and dedicates fees to Commercial Fishing Fund. [Cancelled]

The following bills are scheduled for a public hearing:

- SB 262: Requires certain state agencies to follow principles of integrated pest management and to report to the DOA within one year of effective date of Act.
- SB 519: Modifies requirements for commencing action based on use or application of pesticide.
- SB 669: Enables Public Utility Commission to allow rate

recovery for investment in alternative and high efficiency energy facilities.

Wednesday March 27; 8:00 a.m.; HRC

The following bill is scheduled for a work session:

- SB 499: Prohibits DSL contracts for public or private development and private exploration of hard minerals in state owned waters.

The following bills are scheduled for public hearings:

- SB 315: Requires certain notice for legislative acts by ordinance of city.
- SB 317: Changes and clarifies enforcement of land use regulations and comprehensive plans.
- SB 662: Requires county to maintain copies of its comprehensive plan and land use regulations for sale to public at charge to exceed copying cost.

Friday March 29; 8:00 a.m.; HRC

The following bill is scheduled for a work session:

- SJM 1: Urges Congress to reform 1872 Mining Law

The following bill is scheduled for a public hearing:

- SJR 13: Authorizes issuance of general obligation bonds for state parks and recreation and fish enhancement projects, upon voter approval at next general election.

—Mara Brown
Legislative Fellow