

PUBLIC TESTIMONY SUMMARY

I-900 STATE AUDITOR'S PERFORMANCE AUDIT:

Puget Sound Dungeness Crab Fishing Department of Fish and Wildlife (January 15, 2010)

As Heard by the Joint Legislative Audit & Review Sub-Committee on I-900 Performance Audits
on February 17, 2010

The performance audit being discussed at this hearing was conducted solely and independently by the office of the State Auditor, under the authority of legislation approved by the voters in Initiative 900. The State Auditor is elected directly by the people of the State of Washington and operates independently of the Legislature and the Joint Legislative Audit & Review Committee. Staff to the Joint Legislative Audit & Review Committee prepare a summary of public testimony on State Auditor reports. These summaries are for informational purposes only, and do not serve as an assessment by committee staff of the findings and recommendations issued by the State Auditor nor do they reflect a staff opinion on legislative intent.

Title: Puget Sound Dungeness Crab Fishing/Department of Fish and Wildlife

Audit Scope and Objectives:

SAO indicates this audit was designed to determine whether the Department of Fish and Wildlife successfully manages the Puget Sound state crab fishery, including adequately monitoring the fishery and using scientific sampling and analysis methods to estimate the recreational crab catch.

SAO reports that the audit covers the performance of the Puget Sound Dungeness Crab Fishing Program from 2000 through 2008. SAO indicates that the audit focuses on whether the Program is meeting Department goals and Program objectives, as well as whether it uses best practices to meet those goals and objectives. SAO notes that the scope was originally limited to the state recreational fishery, but the scope was expanded to include the state commercial fishery because the Department jointly manages the commercial and recreational fisheries in its effort to comply with legal requirements for sharing the crab resource with tribes. The report does not cover the coastal Dungeness crab program or other species of crab in Puget Sound.

SAO indicates that, in addition, the audit addressed the nine elements contained in Initiative 900.

<p>SAO Findings: The report identifies two audit issues:</p>	<p>SAO Recommendations: The audit has a total of 13 recommendations, 12 to the Department and one to the Fish and Wildlife Commission.</p>
<p>Issue 1: Harvest estimation challenges make it difficult for the Department to assess how well it is managing the fishery and meeting Rafeedie Decision requirements.</p>	<p>The Department should take the following actions pertaining to the recreational fishery:</p> <ol style="list-style-type: none"> 1) The Department should facilitate recreational crabbers' use of online reporting. 2) The Department should calculate a crab conversion weight that reflects the recreational harvest by marine area. 3) To improve harvest estimate accuracy, the Department should follow through on collecting the \$10 penalty authorized by state law for recreational crabbers who do not self-report their harvest. 4) The Department should monitor improvements in reporting rates and discontinue telephone surveys when self-reporting rates are sufficiently high. <p>The Department should take the following actions pertaining to the state commercial fishery:</p> <ol style="list-style-type: none"> 5) The Department should prioritize the processing of fish tickets during critical reporting times, particularly during October. 6) The Department should discontinue the daily commercial reporting requirement once it achieves an acceptable level of confidence in the accuracy of harvest information. 7) The Department should establish an electronic reporting system for commercial dealers when cost-effective. 8) The Department should increase its use of penalties on late commercial reporting.
<p>Issue 2: The Department follows best practices and fulfills the intent of Commission policy for crab fishery management but conducts limited monitoring of other factors that can threaten the resource.</p>	<ol style="list-style-type: none"> 9) The Department should manage the crab fishery conservatively if the violation rate is too high. 10) The Department should develop materials to educate the public on how to properly return crab to the water unharmed. 11) The Department should develop a monitoring program to ensure it continues to manage the fishery in a manner that maintains sustainable harvest levels. 12) The Department should work with the tribes to adjust the methodology for establishing harvest targets when there is evidence that the crab population is trending downwards. 13) The Fish and Wildlife Commission should clarify its policy on the commercial/recreational allocation.
<p>Agency Responses in Audit Report?</p>	<p>Yes, in Appendix C.</p>
<p>Legislative Action Requested?</p>	<p>No</p>

Agencies Testifying:

Department of Fish and Wildlife (Jack Needham, Internal Auditor; Steve Burton, biologist with the Puget Sound crab management team)

Fish and Wildlife Commission (Miranda Wecker, Commission Chair)

Summary of Testimony from Audited Agencies:

Department staff have no formal remarks but are available for questions. In response to questions, staff explained the Department's transition to more active management of the crab resource following the Rafeedie court decision.

The Commission voted at its February meeting to review the Puget Sound crab policy (Recommendation 13). The Commission recognizes the passion surrounding crab harvest. The process will include public input and consultation with stakeholders. The process will begin in March, and the Commission hopes to have it completed by this November.

Other Parties Testifying:

Liz Hamilton, Executive Director for the Northwest Sportfishing Industry Association

David Knutzen, Washington Chapter of the Coastal Conservation Association

Dan Stauffer, Ed's Surplus and Marine, and Puget Sound Anglers Sno-King Chapter

Laurence Bucklin, recreational crabber

John Quade

Summary of Testimony from Other Parties:

Crab fishing is an important component of the business plans for keeping year-round jobs in the sportfishing industry. The audit speaks to some of the problematic conflicts between the commercial and sport crab fisheries in Puget Sound. Our organization worked on the bill that taxed recreational crabbers so that there could be better monitoring. Statewide, five percent of the catch is recreational; we want to have good monitoring on that portion of the catch, but we have concerns about diminishing returns. The impacts to the resource are not immense on this portion of the harvest. The recreational season used to be open year-round, with a six-crab daily limit. Today that limit is five crabs daily in a season that only lasts two and a half months, with the exception of two areas. There is a growing demand and a diminishing opportunity at a time when we want to keep recreational dollars in our state. We hope there can be a rebalancing to address the inequity.

The audit brought up many concerns and issues within the Puget Sound crab fishery. A primary concern that is not highlighted in the audit is the conservation of the resource. Of particular concern is derelict gear, both recreational and commercial. A bill that has passed the House this session would help address this issue. Recreational shellfish harvest is popular throughout Puget Sound. Unfortunately, current policies limit recreational access to the crab resource. We confirm our commitment toward conservation of the crab population while ensuring there is meaningful recreational access.

Though there has been a decade of shrinking seasons, smaller limits, and distrust of the Department, the recreational effort has made some gains. Crabbers lobbied for electronic crab catch reporting. The Puget Sound crab endorsement was self-imposed to ensure proper

monitoring and accounting of the recreational effort. Best of all was the effort by Puget Sound angler groups to educate crabbers on proper handling practices and catch accounting. Seminars include education on practices which the audit finds the Department fails to educate crabbers on properly. The loss of summer crabbing days has been devastating. Parents are in tears over the crabbing issue. One family-friendly season has nearly been lost: the Spring wading season. Now the season does not open until July when most of the crab have migrated to deeper water. These changes have had an impact on reliable sales of gear. The current seasons promote a gold-rush mentality, and this is intimidating to people new to the sport or from out of town. Many retail analysts identify fishing, camping, hunting, and wildlife viewing as growth opportunities in a recession. There are currently 200,000 individuals who would like more days on the water, willingly paying license fees, sales taxes, and excise taxes that are already on the books. But we cannot ignore the gold-rush mentality; we need slow and steady growth in the recreational harvest, with proper accounting.

In sixty years of crabbing, I have seen things change from an all-year process to essentially two months, minus three days a week when you cannot crab. There has also been a reduction in the daily limit. Regulations recognize the value of recreational crabbing by having certain areas set aside for recreational crabbing only. The report did not get into specifics, but I suggest that further marine areas need to be set aside, two in particular nearer to higher population levels and extensive public access. This would allow an expansion in the days of fishing. Ninety-five percent of the catch is going to the market, either through the commercial or tribal fisheries. I have provided an extensive list of background points and questions to Representative Kelley (JLARC chair). I hope the State Auditor's Office will respond to these questions. The initial scope of the audit was to include a review of the expenditures from the dedicated fund; nothing in the report indicates that this review was accomplished and the outcome of that review. Sportsmen have concerns that funds from endorsements are being misappropriated or misspent.

I am a former federal employee with extensive experience with performance auditing. I requested a simple SAO crab audit that looked at four things: 1) was the counting methodology for sports-caught crab valid; 2) was the methodology administered properly; 3) does the Department use catch card records to analyze the reallocation from commercial-caught crab to sport-caught crab; and 4) the use of the fees. The audit did not cover these topics, and it has taken three and a half years. We are sorely disappointed. I have specific questions to the SAO about the payment to the contractor. Please include the list of questions mentioned previously as part of the public record for this hearing.