

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input type="checkbox"/> Original <input checked="" type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date November 16, 2017
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) NR 20, Fishing in Inland and Outlying Waters; NR 25, Commercial Fishing in Outlying Waters	
4. Subject Lake trout harvest limits in Lake Superior, FH-19-16 and companion emergency rule FH-17-17(E)	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0.00	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule The department and the Red Cliff and Bad River Bands of Lake Superior Chippewa are parties to the 2005-2015 Lake Superior Fishing Agreement, which specifies the procedure for allocating lake trout commercial harvests, defines refuges and special fishing areas, and establishes other terms and arrangements for fisheries management in Wisconsin waters of Lake Superior. That agreement was extended for the previous two seasons and is expected to be extended another year to cover the 2017-2018 season. Lake trout harvest limits are discussed among the parties and the emergency version of this rule is needed to preserve the public welfare and adhere to the terms of the agreement. Finally, the population model that is used to establish the recommended quota shows that higher harvest can be sustained than previously anticipated and these rules will assure that harvest is only as economically restrictive as is biologically necessary.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. State licensed and Chippewa tribal commercial fishers, anglers, and associated businesses are the business sectors that may be affected by the proposed rules. Pursuant to the Governor's Executive Order 50, Section II, this is a level 3 economic impact analysis for the permanent rule. A notice for Solicitation of comments on this analysis was posted on the department's website beginning on October 5 and continuing through October 18, 2017. No comments were received. An assessment of lake trout populations in the Apostle Islands region of Lake Superior has been conducted by a	

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

Wisconsin State-Tribal Technical Committee. Based on those results and recommendations from the committee, the harvest quotas associated with the Lake Superior Fishing Agreement are being re-negotiated. The department has met with the state-licensed commercial fishing representatives and held public meetings over the past several years to inform stakeholders of the current status of lake trout in Wisconsin waters of Lake Superior and to discuss lake trout regulation options.

People who may be affected by the proposed rules participated in public meetings held in Ashland on October 25 and Saxon on October 26, 2017. There were twenty people in attendance at Ashland and ten at Saxon. Additionally, 200 people took an online survey that was available during October. The two-fish daily bag limit proposed in these rules was the favored alternative.

Public involvement in management of lake trout has been ongoing. In 2016 the department had an online survey open from October 25 to November 15 and held two public meetings in October to gather input on regulation options. Each option was presented showing its level of risk associated with meeting or exceeding the recreational fishing quota before the season ends in September 2017. Based on written and verbal public comments and results from the survey, the most biologically and socially acceptable bag and size limit regulations were selected. Regulation options for 2016-2017 were affected by public concern and new research on hooking mortality on released lake trout suggesting post-release mortality to be as high as 38%. To account for release mortality regulation options lowered the minimum length limit to 15 inches or factored in a mortality adjustment for released fish.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

No local governments participated in the development of this analysis and no impacts are anticipated as a result of these rules.

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Pursuant to the Governor's Executive Order 50, Section II, this is a level 3 economic impact analysis for the permanent rule. A notice for Solicitation of comments on this analysis was posted on the department's website beginning on October 5 and continuing through October 18, 2017. No comments were received.

Following the comment period for the draft the economic impact analysis, this rule proposal was modified to increase lake trout harvest quotas for commercial fishers and for anglers. The population model that is used to establish the recommended quota shows that higher harvest can be sustained than previously anticipated and these rules will assure that harvest is only as economically restrictive as is biologically necessary.

All groups that fish in Lake Superior would have a moderate increase in overall harvest limits, resulting in some additional opportunity for commercial fishers. However, impact on commercial fishing businesses may be minimal because fishers may have had ample opportunities under current rules. Even when quotas were lower, impacts were buffered by the ability to transfer individual license catch quotas – through lake trout tags designated for use in WI-1 and WI-2 – between state-licensed commercial fishers. Quota transfers are a common practice that is approved and documented by the department, as authorized by s. NR 25.08.

It is difficult to determine the economic impact that might result from changes in the angling activities, and related

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

spending, from non-commercial fishing but it is expected to be beneficial but minimal because lake trout are just one component of the fishery. Angling activity is determined by weather conditions year around as well as by success on other targeted salmonid species such as brown trout, splake, or coho salmon. Angler hours in WI-2 have ranged from 125,000 to 203,000 from 2010 through 2014. Angler hours in 2015 were 124,000 following a year of poor ice fishing conditions. Charter fishing licenses for Lake Superior have remained stable over the past (2005-2016) ranging from 22 to 29. The number of licensed charter fishers in 2016 was 27. Economic impact on local business would be expected to be similar to 2017.

Related to both commercial and angler use of lake trout, harvest quotas are ideally reviewed every 3 years and sometimes more frequently. Because of the variability of harvest quotas, there is no true baseline against which to compare increases and decreases and related economic impacts. Because of this variability, it is also difficult to estimate specific long term economic impacts except to surmise that continued availability of the resource has overall positive impacts.

The rule does not impose any compliance or reporting requirements nor would any design or operational standards be contained in the rule. The rule does not allow for the potential to establish a reduced fine for small businesses, nor does it establish "alternative enforcement mechanisms" for "minor violations" of administrative rules made by small businesses. Public utility rate payers and local governmental units will not be affected by the rule.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The department and the Red Cliff and Bad River Bands of Lake Superior Chippewa are parties to the 2005-2015 Lake Superior Fishing Agreement, which specifies the procedure for allocating lake trout commercial harvests, defines refuges and special fishing areas, and establishes other terms and arrangements for fisheries management in Wisconsin waters of Lake Superior. That agreement was extended for the previous two seasons and is expected to be extended another year to cover the 2017-2018 season. Lake trout harvest limits are discussed among the parties and these rules are needed to preserve the public welfare and adhere to the terms of the agreement.

Finally, the population model that is used to establish the recommended quota shows that higher harvest can be sustained than previously anticipated and these rules will assure that harvest is only as economically restrictive as is biologically necessary.

16. Long Range Implications of Implementing the Rule

These rules help to assure that there will be a sustainable lake trout fishery in the future and this will have positive long range economic impacts.

17. Compare With Approaches Being Used by Federal Government

Federal regulations allow states to manage the fisheries and wildlife resources and state-owned lands located within their boundaries provided they do not conflict with regulations established in the Federal Register. None of these rule changes violate or conflict with the provisions established in the Federal Code of Regulations.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Of the four adjacent states, only Minnesota and Michigan have lake trout fisheries on the Great Lakes. The commercial harvest of lake trout from Minnesota waters of Lake Superior is limited to a population assessment fishery. In Michigan

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

waters of Lake Superior there is no state-licensed commercial fishery, but tribal harvest is guided by the same modeling approach as in Wisconsin, although harvest limits are much lower than in Wisconsin.

19. Contact Name

Scott Loomans, Fisheries Program Policy Analyst

20. Contact Phone Number

608-266-5206

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

This rule is expected to have none or only a minimal economic impact because it is very similar to rules which were in place from 2015 to 2017. Lake Trout are managed by quota and state and tribal commercial fishers are allotted individual tags. Estimated dockside value of Lake Trout for the ten state licensed commercial fishermen during the 2015 season was \$11,700 (3,900 allotted tags x \$1/pound average price x 3 lbs/average Lake Trout weight). Increased quota in 2016 increased dockside value to \$14,700 (4,900 x \$1 x 3). With a similar quota in 2017, dockside value is expected to be unchanged. An increased quota for 2018 should increase dockside value of the catch by \$9,480 (3,160 fish x 1\$ per .lb. x 3 lb. average) and this value is distributed among the ten licensed commercial fishers.

A similar trend would exist for tribal commercial fishermen.

It is difficult to determine the economic impact that might result from changes in the angling activities, and related spending, from non-commercial fishing but it is expected to be beneficial but minimal because lake trout are just one component of the fishery. Angling activity is determined by weather conditions year around as well as by success on other targeted salmonid species such as brown trout, splake, or coho salmon. Angler hours in WI-2 have ranged from 125,000 to 203,000 from 2010 through 2014. Angler hours in 2015 were 124,000 following a year of poor ice fishing conditions. Charter fishing licenses for Lake Superior have remained stable over the past (2005-2016) ranging from 22 to 29. The number of licensed charter fishers in 2016 was 27. Economic impact on local business would be expected to be similar to previous seasons and positive overall because of the increased harvest quota and decreased likelihood of an emergency early season closure.

Related to both commercial and angler use of lake trout, harvest quotas are ideally reviewed every 3 years and sometimes more frequently. Because of the variability of harvest quotas, there is no true baseline against which to compare increases and decreases and related economic impacts. Because of this variability, it is also difficult to estimate specific long term economic impacts except to surmise that continued availability of the resource has overall positive impacts.

The rule does not impose any compliance or reporting requirements nor would any design or operational standards be contained in the rule. The rule does not allow for the potential to establish a reduced fine for small businesses, nor does it establish "alternative enforcement mechanisms" for "minor violations" of administrative rules made by small businesses. Public utility rate payers and local governmental units will not be affected by the rule.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

Commercial fishing licensees are required to record and report all elements of their fishing activity as required by s. 29.519 (5) Wis. Stats.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 Less Stringent Schedules or Deadlines for Compliance or Reporting

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

Impact on commercial fishing businesses are not anticipated because harvest quotas for lake trout will increase modestly.

5. Describe the Rule's Enforcement Provisions

The rule will be enforced by department conservation wardens under the authority of chapter 29, Stats., through routine patrols, record audits of wholesale fish dealers and state-licensed commercial fishers, and follow up investigations of citizen complaints.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-