

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

NR 20, Fishing in Inland and Outlying Waters; NR 25, Commercial Fishing in Outlying Waters

3. Subject

Lake trout harvest limits in Lake Superior, FH-19-16 and companion emergency rule FH-17-17(E)

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

The welfare of state-licensed and tribal commercial fishers, anglers, and associated businesses is threatened by a long term decline in the lake trout population in the Apostle Islands vicinity of Lake Superior. This rule and companion emergency rule are necessary to implement harvest limits and other reasonably related changes stemming from discussions regarding the Lake Superior Fishing Agreement for the 2017-18 lake trout harvest seasons.

10. 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 will be a level 3 economic impact analysis for this permanent rule. A notice for Solicitation of comments on this analysis will be posted on the department's website in October 2017 and various interest groups may be contacted by email.

An assessment of lake trout populations in the Apostle Islands region of Lake Superior has been conducted by a 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.

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To help determine the bag and size limit changes for anglers, the department had an online survey open from October 25 to November 15 and held two public meetings in October 2016 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.

Additional meetings are being held in October, 2017 in Ashland, Saxon, Superior, and with the Commercial Fishing Board

11. 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.

12. 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)

State Fiscal Impact

The department anticipates no fiscal impact resulting from these rules. The department currently annually conducts a number of activities related to managing lake trout including monitoring both angler and commercial harvest, establishing harvest quotas, selling licenses, providing law enforcement services, surveys and related research. The department will continue to conduct the same activities under the season framework proposed in this rule and does not anticipate any new or reduced expenditures.

Economic Impact

This rule is expected to have none or only a minimal economic impact because it is very similar to rules which have been 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). An increased quota in 2016 resulted in a higher dockside value of \$14,700 (4,900 x \$1 x 3). With a similar quota in 2017, dockside value is expected to be unchanged. 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 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 2016.

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

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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.

Impact on commercial fishing businesses of reduced lake trout harvest compared to permanent rules may be 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 already a common practice that are approved and documented by the department, as authorized by s. NR 25.08.

Minimal to no impact from reduced lake trout harvest is expected for businesses or business associations that do not rely on harvest of lake trout (e.g., charter fishers who promote catch and release, commercial fishers who use trap nets which allow the release of incidentally caught lake trout). It may be a positive impact for fishing guides and charter businesses because the rule increases the overall trout recreational daily bag limit. Anglers will be able to take up to 2 or 3 lake trout per day in addition to up to 5 other trout per day.

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.

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

The rule imposing harvest revisions is necessary in order to ensure a sustainable lake trout fishery over the long-term and will result in economic and natural resource benefits for everyone who utilizes Lake Superior's lake trout. Not implementing the rule is likely to result in a continued decline of the lake trout population and less availability of this resource in the future.

14. 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.

15. 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.

16. 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 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.

17. Contact Name

18. Contact Phone Number

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Terry Margenau, Lake Superior Fisheries Supervisor

715-779-4035

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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)

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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.

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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
- 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

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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
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