

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Chapter NR 25, Wis. Adm. Code, Commercial Fishing - Outlying Waters

3. Subject

Commercial harvest of chubs from Lake Michigan

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

Fish harvest limit adjustments will be more timely and responsive to fish population changes, which will support stability in fish populations and livelihoods of commercial fishers and associated businesses.

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.

The department contacted several groups during the economic impact open comment period April 10-27, 2015, including the Lake Michigan Commercial Fishing Board, Wisconsin Conservation Congress, the Wisconsin Wildlife Federation, the Great Lakes Indian Fish and Wildlife Commission, Wisconsin Association of Lakes, Wisconsin Federation of Great Lakes Sport Fishing Clubs and many other similar angling organizations, as well as the League of WI Municipalities, WI Towns Association, and WI Counties Association. No comments were received.

11. Identify the local governmental units that participated in the development of this EIA.

No local governments requested to participate in the development of the EIA.

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)

The rule would directly affect commercial fishers with permits to harvest chubs from Lake Michigan. Associated businesses may also be affected. However, it is expected that this rule would not substantially limit commercial fishers' opportunity to harvest chubs. If this proposed rule were in place for the past ten years, commercial fishers would have not been limited by this regulation because their harvest fell far below what would have been the total allowable commercial harvest. The low harvest over the past ten years was a result of economic factors (e.g., fuel, labor, market demand) and low catch rates for these fish that are no longer abundant. The low harvest was not a result of harvest regulations.

Adjustments in harvest limits affect the livelihoods of commercial fishers and associated businesses, but such adjustments are a necessary part of fisheries management. Because this rule will cause those adjustments to be more timely and responsive to fish population changes it will support stability in fish populations and in the fishery. Automatic harvest limit adjustments can result in short-term economic benefit to commercial fishers when populations increase and potential short-term economic losses in years when the fish population is in decline. For example, if the

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Wisconsin Lake Michigan spawning bloater chub biomass increases by 1,000,000 pounds then the total allowable commercial harvest would increase by 250,000 pounds. If the Wisconsin Lake Michigan spawning bloater chub biomass decreases, the total allowable commercial harvest would also decrease with the lowest potential total allowable harvest limit being 350,000 pounds. This strategy is supported by the department and the Lake Michigan Commercial Fishing Board.

The proposed rule does not impose any new reporting requirements on small businesses nor are any design or operational standards contained in the rule.

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

The decline in bloater chub abundance in Lake Michigan has been confirmed by population surveys and commercial harvests. The value of the fishery has declined in response to the low populations and catches. Rule changes are necessary in order to ensure a sustainable chub fishery over the long-term. The Lake Michigan Commercial Fishing Board was consulted during development of this rule and is in support of the rule changes.

14. Long Range Implications of Implementing the Rule

Rule changes are necessary in order to ensure a sustainable chub fishery over the long-term.

15. Compare With Approaches Being Used by Federal Government

No existing or proposed federal statute or regulation governs commercial fishing in Wisconsin's waters of the Great Lakes.

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

There is currently no chub harvest in Indiana or Illinois waters of Lake Michigan. In Michigan waters there are modest state-licensed and tribal harvests, with participation too small to require harvest limits. Over 80% of the lake-wide chub harvest occurs in Wisconsin waters.

<h3>17. Contact Name</h3>	<h3>18. Contact Phone Number</h3>
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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)

Adjustments in harvest limits affect the livelihoods of commercial fishers and associated businesses, but such adjustments are a necessary part of fisheries management. Because this rule will cause those adjustments to be more timely and responsive to fish population changes it will support stability in fish populations and in the fishery. Automatic harvest limit adjustments can result in short-term economic benefit to commercial fishers when populations increase and potential short-term economic losses in years when the fish population is in decline.

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

The decline in bloater chub abundance in Lake Michigan has been confirmed by population surveys and commercial harvests. The value of the fishery (provided by a licensed wholesale fish dealer) has declined in response to the low populations and catches. Rule changes are necessary in order to ensure a sustainable chub fishery over the long-term. The Lake Michigan Commercial Fishing Board was consulted during development of this rule and is in support of the rule changes.

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:

Update of the overall rules associated with chub harvest and quota allocation to make it easier for all parties

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

For all commercial fish species other than chubs, quota allocations are based on simple percentage shares; in any zone each license is allocated a percentage share of the harvest limit, and the percentage share may be transferred permanently from one license to another. The more complex system that applies to chubs was deemed necessary when adopted over 30 years ago, but updates and revisions to the allocation formula are being implemented by this rule.

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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