

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Ch. NR 20, Fishing: Inland Waters; Outlying Waters.

3. Subject

Board Orders FH-21-16 and FH-05-18(E), fisheries management rules related to the lake trout bag limit and season in Lake Michigan.

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

None

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

This permanent rule and a companion emergency rule are necessary in order to ensure a sustainable fishery over the long-term that provides economic and natural resource benefits for all affected.

The welfare of recreational angling businesses and recreational anglers is threatened by a decline in the alewife forage base in Lake Michigan. Chinook salmon feed primarily on alewife and the alewife population decline threatens the valuable chinook salmon fishery in the lake. Lake trout also consume alewives as part of their overall diet and are not currently as desirable by angling businesses (guides and charter boats) as chinook. This rule would allow increased fishing opportunities and harvest of lake trout, reducing the number of trout in the lake and decreasing the predation pressure on alewives. The department finds that the emergency rule process is necessary in order to implement lake trout harvest, season and refuge changes for the 2017 fishing season and to ensure that the Lake Michigan fishery continues to be sustainable.

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.

Pursuant to the Governor's Executive Order 50, Section II, this is a level 3 economic impact analysis. The department sought comments from individuals, businesses and associations and local governments by posting a notice for solicitation of comments on this analysis on the department's website from April 26 to May 7, 2017. The board order and preliminary economic impact analysis were available for review and comments on the website during that period. No comments were received.

Fiscal impacts on the department are also summarized in this analysis.

The primary entities who will be affected by the proposed rules are Lake Michigan recreational anglers, fishing guides and charter fishing businesses.

The department concluded a series of three meetings in June 2016 to inform stakeholders on stocking plans for chinook salmon. As part of these meetings, the department engaged stakeholders on a variety of management options that could also be implemented to increase angler activity on Lake Michigan. Lake trout bag limits and seasons were discussed with them during the meetings. Many stakeholders at the meeting expressed interest in harvesting more lake trout immediately to reduce the number of trout in the lake, thereby decreasing the predation pressure on alewives. Comments received via email also were in favor of changing the regulations for lake trout. Since the stocking plans are slated to begin in 2017, the public believes that changes to lake trout regulations should

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change prior to the start of the 2017 fishing season. These rules changes would likely receive significant support from stakeholders.

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

We do not anticipate any impacts on local governmental units as a result of implementing this rule. The department sought comments from individuals, businesses and associations and local governments by posting a notice for solicitation of comments on this analysis on the department's website from March 7 to 21. The board order and preliminary economic impact analysis were available for review and comments on the website during that period. No comments were received.

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)

Because of the increased bag limit and longer season for lake trout fishing, the rule is expected to have a positive economic impact on recreational angling businesses, including fishing guides and charter fishing businesses. (Governor's Executive Order 50, none or minimal economic impact - less than \$50,000). We expect the impact to be minimal, however.

Lake Michigan offers a massive and diverse sport fishery. Lake trout are harvested in areas accessible primarily to anglers and charters with specialized gear. These anglers also pursue several other species of trout and salmon. The availability and bag limit for lake trout may not be the primary motivating factor in people's decisions to go fishing on lake Michigan, hire a chartered trip, or to invest in the type of gear that is necessary. The availability of lake trout does contribute greatly to the opportunities available and the very high quality of the Lake Michigan fishery. These rules will maintain these excellent fishing opportunities as well as the economic benefits of spending by anglers.

Each year, Wisconsin's Great Lakes fishing opportunities draw some 178,000 anglers (as measured by the sale of the Great Lakes Salmon and Trout stamp) who spend more than 1.2 million days fishing. According to the American Sport fishing Association, these anglers contribute \$114.3 million to the economy through direct retail expenditures and generate more than \$12.5 million in state and local tax revenue.

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

In recent years, a multi-state Lake Michigan Committee has recommended, and the states approved, several chinook salmon stocking reductions to match predators with available prey (alewife). These reductions in 1998, 2006 and most recently in 2013 were mostly tied to Chinook salmon with no other species taking any appreciable reductions in stocking numbers. In 2016, the Lake Michigan Committee recommended another chinook salmon stocking reduction. In conjunction, this rule would allow increased harvest of lake trout, reducing the number of trout in the lake and decreasing the predation pressure on alewives. The changes to lake trout bag limits, season lengths and refuge areas would also provide more fishing opportunities and respond to angler desires. This rule focuses on lake trout in order to balance management options among species that prey on alewives.

The department considered a number of alternatives to implementing a rule, primarily changes in the level chinook salmon, brown trout, and steelhead stocking. These alternatives were the subject of a thorough public involvement process conducted in 2016.

14. Long Range Implications of Implementing the Rule

Maintaining a balanced fishery that provides excellent opportunities for lake trout and other trout and salmon and will maintain excellent fishing opportunities. The economic activity that results from this popular sport fishery will also be maintained well into the future.

15. Compare With Approaches Being Used by Federal Government

No federal regulations apply. None of the rule proposals violate or conflict with federal regulations. Individual state or provincial agencies are responsible for managing fisheries within their state boundaries and each jurisdiction has their own decision making process.

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

All states and provinces that border a Great Lake are signatory to the Joint Strategic Plan for Management of Great Lakes Fisheries and have collaboratively developed Fish Community Objectives for each of the Great Lakes through their individual Lake Committees.

State agencies work together through the Lake Committee process to assure that Great Lakes management actions are communicated and discussed among the state and provincial jurisdictions. The Lake Michigan Committee has the following members on it: one representative from each state (Michigan, Wisconsin, Illinois, and Indiana) and one representative from the Chippewa-Ottawa Resource Authority.

Lake trout harvest, seasons, and refuges were established by each agency to maximize the chances that the rehabilitation objectives set for lake trout were achievable. Data have shown that Wisconsin anglers could harvest around 80,000 lake trout and not jeopardize the chances for lake trout rehabilitation in Lake Michigan. Over the last 20 years, Wisconsin anglers have consistently harvested very low numbers of lake trout, averaging only 29,500 fish per year.

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17. Contact Name

Scott Loomans, Fisheries Program and Policy Analyst

18. Contact Phone Number

608-266-5206

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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)

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

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

5. Describe the Rule's Enforcement Provisions

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

- Yes No
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