

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original  Updated  Corrected

2. Date

08/12/19

3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)

NR 25 Commercial Fishing - Outlying Waters

4. Subject

Commercial fisheries of lake whitefish in Lake Michigan

5. Fund Sources Affected

GPR  FED  PRO  PRS  SEG  SEG-S

6. Chapter 20, Stats. Appropriations Affected

7. Fiscal Effect of Implementing the Rule

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

8. 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)

9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).  
\$34,000 in total, which includes the cost of the video surveillance system for each fishing vessel as well as trawling gear.

Two commercial fishing operations are equipped to trawl for whitefish, and the department is uncertain of how many additional commercial fishers would want to participate. Costs per commercial fishing vessel are estimated to include \$7,000 for the video surveillance system and \$10,000 for trawling gear. Both are voluntary expenses.

For commercial fishers that continue to use legal nets other than trawls for whitefish harvest in Lake Michigan, the expected implementation and compliance costs will be \$0.

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)?

Yes  No

11. Policy Problem Addressed by the Rule

This rule implements gear restrictions, monitoring requirements and reporting requirements for whitefish trawling that will continue to protect whitefish populations and may reduce user conflicts between commercial and sport fishers.

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.

Commercial and sport fishing organizations and local governments will be contacted for comments.

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

The department will work with local governmental units that request to participate in the development of this EIA.

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)

The total economic cost of this rule is estimated to be \$34,000. This includes the cost of the video surveillance system as well as trawling gear. Commercial fishers that choose to trawl instead of using other types of nets for harvesting whitefish will be required to use the existing electronic fish harvest reporting system, and may choose to use a video surveillance system as an alternative to on-board harvest monitoring by department employees. Installation of the video

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

system is estimated to cost \$7,000 per trawling vessel for those that choose to use this option. In addition, the rule will set requirements for trawling gear for lake whitefish that differ slightly from gear requirements for other species. Trawls are expected to cost up to \$10,000 per fishing vessel, if the commercial fisher does not already own appropriate trawling gear. However, since the use of trawling over other methods of harvesting lake whitefish is voluntary, only commercial fishers that choose to trawl may incur the costs associated with complying with the monitoring, reporting and gear requirements. Currently, two commercial fishing operations are equipped to trawl for whitefish, and the department is uncertain of how many additional commercial fishers would want to participate.

Sport anglers, fishing guides and related businesses may be indirectly affected due to changes in the type of gear used in the area of Lake Michigan near Two Rivers. Reduction in the use of trap nets due to increased trawling could reduce the incidence of boat entanglement with nets, and because trawling does not overlap as much with the sport fishing season as the use of trap nets, the incidence of sport and commercial fishers encountering one another may also diminish.

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.

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

One benefit of this rule is that commercial fishers could utilize an alternative harvest method for whitefish that, while more efficient, results in low levels and minimal handling of bycatch and allows commercial fishers to easily return sub-legal or non-marketable whitefish to the water. Another benefit is establishing standardized gear use and reporting requirements that would apply to all commercial fishers that trawl for whitefish. Alternatives include not implementing the rule, which would fail to address the social desire for whitefish trawling standards and would result in the continued use of trap nets for whitefish in this area of Lake Michigan during part of the sport fishing season.

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### 16. Long Range Implications of Implementing the Rule

The whitefish trawling study conducted from 2015 - 2018 showed that the commercial fishers that were part of the study reduced their use of trap nets and then switched entirely to trawling to fill their quota allocation. The expanded use of trawling to harvest lake whitefish in Lake Michigan may over time result in the reduction or complete removal of trap nets in the trawling zone of Lake Michigan. Fewer trap nets would reduce user conflicts between sport and commercial fishers, as waters would be more open for methods of sport fishing, including trolling.

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### 17. Compare With Approaches Being Used by Federal Government

No existing or proposed federal statutes or regulations govern commercial fishing in Wisconsin's waters of the Great Lakes.

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

Along with Wisconsin, Michigan and Illinois are the only adjacent states with a Lake Michigan commercial fishery. In Michigan, lake whitefish is the focus of the commercial fishery. In addition to the large commercial gill and trap net fishery, a small trawling fishery that focuses on smelt and lake whitefish has operated in Michigan waters of Green Bay since the 1960s. Illinois has a very limited commercial fishery on Lake Michigan. Both states have established quotas, gear requirements and other restrictions for commercial fishing in Lake Michigan.

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### 19. Contact Name

Meredith Penthorn

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### 20. Contact Phone Number

608-316-0080

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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### ATTACHMENT A

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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)

The total economic cost of this rule is estimated to be \$34,000. This includes the cost of the video surveillance system as well as trawling gear. Commercial fishers that choose to trawl instead of using other types of nets for harvesting whitefish will be required to use the electronic reporting system, and may choose to use a video surveillance system as an alternative to on-board harvest monitoring by department employees. Installation of the video system is estimated to cost \$7,000 per trawling vessel for those that choose to use this option. In addition, the rule will set requirements for trawling gear for lake whitefish that differ slightly from gear requirements for other species. Trawls are expected to cost up to \$10,000 per fishing vessel, if the commercial fisher does not already own appropriate trawling gear. However, since the use of trawling over other methods of harvesting lake whitefish is voluntary, only commercial fishers that choose to trawl may incur the costs associated with complying with the monitoring, reporting and gear requirements. Currently, two commercial fishing operations are equipped to trawl for whitefish, and the department is uncertain of how many additional commercial fishers would want to participate.

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

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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:

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

Trawling is an alternative to other methods of fishing for whitefish, and as such only those businesses that choose to harvest whitefish by the method of trawling will be impacted by the rule provisions. Additionally, the costs associated with purchasing and installing a video surveillance system and purchasing trawling gear are completely voluntary.

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5. Describe the Rule's Enforcement Provisions

The requirement for video surveillance will allow the department to monitor trawling practices, ensure that bycatch levels remain sustainable, and take enforcement action if necessary.

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

- Yes     No
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