

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 7/19/18</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chs. NR 10 & 16, WM-11-18 (E)</p>	
<p>4. Subject Deer carcass transportation, deer farm fencing, and chronic wasting disease</p>	
<p>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</p>	<p>6. Chapter 20, Stats. Appropriations Affected</p>
<p>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</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$2,145,554.00</p>	
<p>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</p>	
<p>11. Policy Problem Addressed by the Rule These rules are sought to prevent the further spread of CWD throughout the state. This will allow the department to continue the proper management of the deer population in a way that preserves the public welfare. A healthy deer herd and quality deer hunting are a critical component of Wisconsin's culture, economy and identity.</p>	
<p>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. Deer hunters and farmers who raise white-tailed deer will be the primary groups that will be affected by these rules.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None at this time. Local Government units are not anticipated to be impacted by this rule.</p>	
<p>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) There are 12 white-tailed deer farms that contain 113 acres that are currently double fenced and will not be impacted by these proposed rules. There is roughly 1,779,000 total current single fencing in lineal feet surrounding white-tail deer farms in Wisconsin. This fencing surrounds roughly 30,428 acres of actively licensed white-tailed deer farms. However, the total acres of farms that are actively licensed, contain white-tailed deer and have had a CWD diagnosed on their premises is 3675.5 acres (thirteen farms). These farms would need to install either a double eight-foot fence or utilize an existing 8-foot high solid barrier under these rules. The linear feet surrounding these thirteen farms is 151,833. Using prior Wisconsin Department of Natural Resources property fencing bid estimates for installing an 8-foot fence on a deer farm, the cost of a second 8-foot fence with labor is estimated to be \$5.77 per linear foot. Other fencing companies expressed the ability to install a second eight-foot fence for as much as \$1 to \$2 less than WDNR's prior bids per linear foot, however this assumption uses the \$5.77 because our most common bids on 8-foot high fencing for department projects were in the \$5.50-\$5.75 range.</p>	

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This means that the cost to those farmers with a CWD positive to implement these rules would be \$876,364. This estimate does not include the cost of clearing any trees for this secondary fence since it impossible to determine is that is even necessary and to what extent. Also, this estimate does also does not include the use of an existing 8-foot high solid barrier which would reduce the cost of installing a secondary fence.

The remainder of the state's white-tailed deer farms will have the option to install enhanced fencing rather than a double perimeter fence which will cost much less than a second 8-foot fence. According to an estimate form the Wisconsin Department of Agriculture, Trade and Consumer Protection estimates, material costs of electrified high tensile wire and insulators are estimated to run \$0.78 per linear foot. This estimates was also verified by contacting two private installers. This estimate does not include the cost of installation, corner supports for the electric fence, or the cost of tying the fence off at a gate. This estimate also does not include the use of an existing 8-foot high solid barrier which would reduce the cost of installing an enhanced fence. Alternatively, the cost of using a double fence instead of an enhanced fence is estimated to be \$5.77 per linear feet. Since electric fencing is the most cost effective, we assume that farmers will choose the cheaper option. These enhanced fencing materials would cost the remaining white-tailed deer farmers whose deer have not tested positive for CWD \$1,269,190.

The total cost estimate to implement these rules for enhanced fencing would cost white-tailed deer farmers \$2,145,554.

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

Movement of infected animals is a key pathway in the spread of CWD. Moving a carcass from the area of harvest to an area without known occurrence of CWD, or lower prevalence rates, could introduce disease prions into the area if an infected carcass is not disposed of correctly. Human movement of carcasses will also likely cross more geographical barriers that would otherwise hinder live animal movement. CWD prions are known to persist in the environment and remain infectious for at least 3 years and potentially much longer. Studies have shown that prions bind to soil components with high affinity and that oral disease transmission may be enhanced when bound to soil. By restricting both wild deer carcass movement and requiring enhanced white-tailed deer farm fencing, it is less likely that CWD will be spread to new areas of the state.

16. Long Range Implications of Implementing the Rule

The long range implications of implementing the rule will be the same as the short range implication. All new white-tailed deer farms would have to abide by the proposed enhanced fencing regulations. Additionally, if any counties would be subsequently designated as CWD-affected, hunters in those counties would need to apply by these rules in future deer hunting seasons.

17. Compare With Approaches Being Used by Federal Government

Federal regulations allow states to manage the wildlife resources 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)

Iowa currently only requires a single 8-foot-high fence for deer farmers. They also restrict the movement of all wild or captive deer from CWD endemic areas outside the state but don't currently restrict movement from animals within the state.

Michigan requires mandatory testing of deer killed in townships where CWD is present within 72 hours of harvest. While the state does not currently restrict wild deer carcass movement, they are proposing additional regulations that would do so. One proposal would ban the movement of a deer carcass from a five-county area unless that deer has been tested for CWD. Michigan requires a single 10 foot high exterior fence for farm raised white-tailed deer.

Illinois currently does not regulate the movement of deer carcasses within the state. Illinios does not currently have specific fencing requirements for white-tailed deer farms. They only require that all herd premises must have perimeter fencing adequate to prevent ingress and egress of cervids.

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Finally, Minnesota does not allow any harvest deer carcass to be removed from there CWD management area until after a CWD test has been completed, not even to a licensed meat processor or taxidermist. They define a CWD management area as any area within 10 miles of a known CWD positive. An individual that lives within that area may self-process their deer but they must keep the carcass parts in case the deer tests positive for CWD to be collected and disposed of by a digester. Minnesota currnely only requires a single 8-foot fence, but they are exploring adopting rules which would require any deer farm within their CWD management area to double fence.

19. Contact Name Scott Karel	20. Contact Phone Number 608-267-2452
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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)

This rule will primarily impact all small business farmers who raise white tail deer in Wisconsin. We expect the total economic cost of this rule will impact only small businesses. The total impact of implementing this rule to small businesses is estimated to be \$2,145,554.

This estimate include:

Farms that are actively licensed, contain white-tailed deer and have had a CWD diagnosed on their premises- 3675.5 acres (thirteen farms). These farms will have to install either a double eight-foot fence or utilize an existing 8-foot high solid barrier under these rules. The total linear feet of fencing required is estimated to be 151,833 feet. Using \$5.77 per linear foot as the average cost of installing a second 8-foot fence (including labor), the cost to farmers with a CWD positive to implement these rules is estimated to be \$876,364. This estimate does not include the use of an existing 8-foot high solid barrier which would reduce the cost of installing a secondary fence.

The remainder of the state's white-tailed deer farms will have the option to install enhanced fencing (0.78 per linear foot) rather than a double perimeter fence which will cost much less than a second 8-foot fence, (\$5.77 per linear feet). Since electric fencing is the most cost effective, we assume that farmers will choose the cheaper option. These enhanced fencing materials would cost the remaining white-tailed deer farmers whose deer have not tested positive for CWD \$1,269,190.

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

Estimates from companies that install fencing were used to determine the costs of installing enhanced fencing on farms. Estimates from open bidding process for fence installation for the Wisconsin Department of Natural Resource was used. Additionally, the department solicited several fencing companies for estimates regarding the installation of an eight-foot fence or an electrified high tensile wire and insulator fence. Estimates from the Wisconsin Department of Agriculture, Trade and Consumer Protection for material costs of electrified high tensile wire and insulators was also used.

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

The rule provides several options for enhance fencing for white-tailed deer farms. One of these options includes installing enhanced electric fencing to the existing perimeter fence. This option costs roughly 1/7th as much as it does to install a second eight foot fence. Another option available to landowners is using an existing solid barrier that is at least 8 feet high to act as enhanced fencing. This would reduced the cost of installing enhanced fencing since this solid barrier may already exist on the property.

5. Describe the Rule's Enforcement Provisions

If a fence fails to meet the applicable standard the department may issue an order directing the person who is required to maintain the fence to bring the fence into compliance within 10 days after the issuance of the order. If the person fails to comply with the order within 10 days of its issuance, the department may revoke the applicable fence inspection certificate. Individuals are prohibited from keeping farm-raised white-tailed deer unless all of the white-tailed deer are

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contained in a fenced area for which the person holds a valid fence inspection certificate issued by the department.

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

Yes No
