

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<b>1. Type of Estimate and Analysis</b>  <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	<b>2. Date</b>  Draft - 09/30/24
<b>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)</b> NR 25 Commercial Fishing - Outlying Waters	
<b>4. Subject</b> Commercial fisheries of lake whitefish in Lake Michigan	
<b>5. Fund Sources Affected</b> <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	<b>6. Chapter 20, Stats. Appropriations Affected</b>
<b>7. Fiscal Effect of Implementing the Rule</b> <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	
<b>8. The Rule Will Impact the Following (Check All That Apply)</b> <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)	
<b>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).</b> \$0 Currently, Lake Michigan commercial fishers are authorized to use trawls which meet certain requirements in specific areas of the lake through October 31, 2025. This rule removes the sunset on the previous rule so that the regulation would be in place indefinitely; allows for an exemption that would allow trawls to continue to fish for a limited period of time in the event that their surveillance system wasn't working; and gives one of the current trawlers one year to get their gear into compliance with the requirements that are currently in place.  There are currently two commercial fishing operations that are trawling and these are both already equipped to trawl for whitefish and have the video surveillance system. This rule allows them to continue to trawl for up to 14 days with an exemption from the department in the event that their video equipment is not working. The trawl size requirements remain consistent with current regulations. This rule would allow current trawlers to continue to fish with their current equipment for a year, however, one of the commercial fishers will need to purchase a new cod January 1,2027, so that their equipment comes into compliance with current regulations that are in effect and codified in this rule.  For commercial fishers that continue to use legal nets other than trawls for whitefish harvest in Lake Michigan, there would be no implementation or compliance costs.	
<b>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)?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>11. Policy Problem Addressed by the Rule</b> 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.	
<b>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.</b> Commercial and sport fishing organizations are aware of this rule promulgation.	
<b>13. Identify the Local Governmental Units that Participated in the Development of this EIA.</b> The department will work with local governmental units that request to participate in the development of this EIA.	
<b>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)</b> This rule makes changes to the current regulations allowing trawling and is only applicable to those individuals who participate	

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in the harvest of whitefish by trawling. For those individuals, the total economic cost of this rule is estimated to be \$0 because the trawling gear size requirements of 4.5" stretch mesh in the cod end is consistent with current regulations. Commercial fishers that choose to trawl instead of using other types of nets for harvesting whitefish will continue to be required to use the existing electronic fish harvest reporting system, and electronic video surveillance system. This rule will not create an economic cost, but rather is a benefit to trawlers in that they can request an exemption to continue to trawl even if their electronic surveillance equipment becomes inoperable and while they get it repaired. In addition, the rule will set requirements for trawling gear size and mesh requirements in different parts of the trawl gear for lake whitefish that differ slightly from gear requirements for other species. Since the use of trawling gear 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 this rule would not require equipment changes from what is currently required. As proposed, this rule does not allow trawling during September and October, as data show that bycatch rates of non-target fish, such as lake trout, increase as a proportion of the harvest because Lake Whitefish move north to spawning grounds. Commercial fishers have indicated that this would result in less employment for trawling crews and less income earned than if trawling were allowed during these months. Also, less fresh whitefish may be available to local markets if trawling does not occur in September and October. 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. Public utility rate payers and local governmental units will not be affected by the provisions in the rule. However, local governments may experience indirect economic impacts due to the limits on trawling vessel operation, which affects the amount of utility fees that the commercial fishing operation pays to local governments.

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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  
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20. Contact Phone Number  
608-316-0080

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### 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)

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.

As proposed, this rule does not allow trawling during September and October, as data show that bycatch rates of non-target fish, such as lake trout, increase as a proportion of the harvest because Lake Whitefish move north to spawning grounds during these months. Commercial fishers have indicated that this would result in less employment for trawling crews and less income earned than if trawling were allowed during these months. Also, less fresh whitefish may be available to local markets if trawling does not occur in September and October.

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. Public utility rate payers and local governmental units will not be affected by the provisions in the rule. However, local governments may experience indirect economic impacts due to the limits on trawling vessel operation, which affects the amount of utility fees that the commercial fishing operation pays to local governments.

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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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