

Title: **Wind Farming vs Mobile Gear Fishing: is there room for a bargain?**

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Abstract: A private power company, Cape Wind Inc., wants to develop the largest wind farm in United States history off the coast of Cape Cod Massachusetts in a twenty-five square mile area of Nantucket Sound known as Horseshoe Shoal (HSS). However, Cape Wind must compete for the use of this area with the Massachusetts mobile gear fishermen who hold coastal access permits endorsed with squid and fluke (CAP-squid, fluke). A contingent valuation (CV) telephone survey was administered to 34 potential HSS mobile gear users (n=140 potential users). The CV hypothetical scenario invites fishermen to enter into a class action law suit against Cape Wind for possible compensation if development rights are granted to this area. The scenario suggests that the law suit would at least delay development of this area for one more year. A type of Coasian bargain is then presented, where fishermen are endowed with the unimpeded use rights to this area for the next year, and must choose the minimum amount they would be willing to accept (WTA) to settle the lawsuit today and forego this extra year of fishing free from a wind farm. Despite the open-endedness of the WTA question, fishermen seem familiar with the concept of assessing potential compensation under two scenarios; developed and open to mobile gear fishing or developed and closed to mobile gear fishing. The results of a censored Tobit model are quite robust (despite a small sample size n=25) and show significant determinants of WTA that are consistent with economic theory.