

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Marine Resources Commission
Virginia Administrative Code (VAC) Chapter citation(s)	4 VAC 20-720-10
VAC Chapter title(s)	Pertaining to Restrictions on Oyster Harvest
Action title	2023-2024 Public Oyster Harvest Season
Date this document prepared	September 1, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Final

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This regulation will establish the 2023-2024 areas of public harvest, public oyster harvest seasons, and oyster resource conservation measures.</p> <p>Direct Costs: \$80,000 for every week of harvest using scrapes or dredges. Areas open to harvest by scrape or dredge consistently require shell planting of two bushels of shell (approximate cost of \$4.00 per bushel) for every bushel of harvest from the area. 80% of harvest is by these gear types since 2018. ~\$2.5 million is spent annually to maintain harvest areas open to these two gear types.</p> <p>The final approved regulation increased the length of the season by 2 weeks. This increased season length with result in an estimated \$160,000 of replenishment needs.</p> <p>Indirect Costs: Any regulatory changes that allow for increased harvest may result in a higher direct benefit. However, increased harvests in the near term may result in decreased harvest in the future and a less economically and ecologically sustainable long-term fishery. A significant portion of Virginia’s seafood industry is largely dependent on the public oyster fishery for nearly 6 months of the year.</p> <p>Direct Benefits: Estimated at \$684,000 per week of open harvest (12,500 bushels x \$54.76)</p> <p>Approximately 12,500 bushels of oysters are harvested from public ground each week of the public oyster harvest season. The average dockside value (paid to the commercial fishermen) per bushel of public oysters was \$54.76 over the last 5 years. There is some fluctuation in price due to market conditions.</p> <p>The final approved regulation increased the length of the season by 2 weeks (from 20 to 22 weeks) which is an increased in season length and revenue of 10%. This increased season length with result in an estimated \$1,368,000 of income to harvesters.</p> <p>Indirect Benefits: Increased market products from oyster fishery and support sectors.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs (a) \$160,000</p>	<p>Direct & Indirect Benefits (b) \$1,368,000</p>
<p>(3) Net Monetized Benefit</p>	<p>\$1,208,000</p>	

(4) Other Costs & Benefits (Non-Monetized)	
(5) Information Sources	MRC Mandatory Harvest Reporting Program and Voluntary Seafood Pricing Survey.

	<p>The <i>Mandatory Harvest Reporting Program</i> is a MRC run program that requires all commercially licensed seafood harvesters in Virginia to report all harvests of seafood on a monthly basis.</p> <p>The <i>Voluntary Seafood Pricing Survey</i> is a MRC run pricing survey that solicits dockside prices of seafood from Virginia Seafood Dealers on an annual basis.</p>
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Unknown</p> <p>Indirect Costs: Approximately 80 percent (80%) of harvest is undertaken with gear types (hand scrapes and dredges) that do not have a season established by Virginia Code. If a season is not established through regulation, it is unknown as to what level of harvest effort would occur with the season outlined in Code.</p> <p>Direct Benefits: Indirect Benefits: It is probably that less replenishment effort would be required in areas that are only open to the gears established in Code.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs:</p> <p>Indirect Costs:</p> <p>Direct Benefits:</p> <p>Indirect Benefits:</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Indirect Costs: Direct Benefits: A considerable portion of the participants in the Virginia public oyster fishery are likely small or independent Businesses. Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b) The majority of the Direct Benefits listed previously would go to independent watermen
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change
4 VAC 20-720-10	31	0	-10	-10
Additional Burden Reduction	31	0	-10%	-3.1

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
4 VAC 20-720-10	Increase in Season Length	\$12,028,000	\$13,288,000	10% increase in Savings \$1,208,000

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length