

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Water Control Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	9 VAC25-101
<b>VAC Chapter title(s)</b>	Tank Vessel Oil Discharge Contingency Plan and Financial Responsibility Regulation
<b>Action title</b>	Periodic Review
<b>Date this document prepared</b>	5/15/2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Periodic Review

**Cost Benefit Analysis**

**Agency Note: As this action involves a Periodic Review, Tables, 1a, 1b, and 1c have not been completed pursuant to the ORM Regulatory Economic Analysis Manual.**

**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**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect costs. This regulation allows tank vessel operators to comply with Virginia’s requirements by being in compliance with an existing federal regulation. Further there are no local government tank vessel operators that are impacted by this regulation so no direct costs are imposed on localities as a result of this regulation.</p> <p>Indirect Costs: Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect costs. This regulation allows tank vessel operators to comply with Virginia’s requirements by being in compliance with an existing federal regulation. The agency is aware of no indirect cost to localities from this regulation.</p>
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	<p>Direct Benefits: This regulation benefits localities as it requires tank vessel operators that navigate in Virginia’s waters to have a plan to address any oil discharge and the financial capability to pay for cleanup costs resulting from such a discharge.</p> <p>Indirect Benefits: The regulation generally benefits localities by ensuring funds and plans are in place to address any oil discharges into Virginia waterways quickly and effectively which protects natural resources, citizens and tourism from the negative impacts of large-scale oil discharges.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) none	(b) The regulatory requirements in place are designed to ensure tank vessel operators have the financial and cleanup resources in place to address large-scale oil discharges. This in turn reduces the severity and impact of oil discharges into Virginia waters. Reducing the severity and impact of oil discharges to Virginia waters effectively protects natural resources, recreational resources, citizens and tourism. Further, ensuring vessel operators have the financial ability to address oil cleanups directly benefits localities by ensuring they will not be forced to use their financial resources to address impacts from the discharge.
(3) Other Costs & Benefits (Non-Monetized)	The regulation generally benefits localities by ensuring funds and plans are in place to address any oil discharges into Virginia waterways quickly and effectively which protects natural resources, citizens and tourism.	
(4) Assistance	n/a	
(5) Information Sources	n/a	

**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)	Given that the result of the periodic review is to retain as is, there are no proposed changes with direct and indirect costs. This regulation allows tank vessel operators, not families, to comply with Virginia’s requirements by being in compliance with an existing federal regulation.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) none	(b) The regulatory requirements in place are designed to ensure tank vessel operators, not families, have the financial and cleanup resources in place to address large-scale oil discharges. This in turn reduces the severity and impact of oil discharges into Virginia waters. Reducing the severity and impact of oil discharges to Virginia waters effectively protects natural resources, recreational resources, citizens and tourism.
(3) Other Costs & Benefits (Non-Monetized)	Other Costs: n/a Other Benefits: Protection of natural resources, recreational resources, residents, and tourism.	
(4) Information Sources	n/a	

**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: Direct costs associated with this regulation could be imposed on very small tank vessels (less than 100 gross tons of carrying capacity), which are not required to comply with the federal financial responsibility (FR) requirements for oil tanker vessels. These small tank vessels would have to demonstrate compliance with Virginia’s regulation if their carrying capacity exceeds 15,000 gallons of oil. Tank vessel operators may comply with Virginia’s financial responsibility regulations
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	<p>by self-insuring, obtaining a guarantee from a corporate parent, or obtaining private insurance. Self-insurance and guarantees are not likely to impose out-of-pocket costs on a vessel operator. Insurance premiums for small tankers should run less than \$300 a year per vessel.</p> <p>Indirect Costs: Indirect costs imposed by this regulation may be civil penalties imposed for noncompliance which could run between \$1,000 to \$100,000 per initial violation.</p> <p>Direct Benefits: The regulatory requirements in place are designed to ensure tank vessel operators have the financial and cleanup resources in place to address large-scale oil discharges. This in turn reduces the severity and impact of oil discharges into Virginia waters.</p> <p>Indirect Benefits: Reducing the severity and impact of oil discharges to Virginia waters effectively protects natural resources, recreational resources, citizens and tourism.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0-\$300 annually for financial responsibility; Potential penalties of \$1,000-\$100,000 per violation for noncompliance	(b) The regulatory requirements in place are designed to ensure tank vessel operators have the financial and cleanup resources in place to address large-scale oil discharges. This in turn reduces the severity and impact of oil discharges into Virginia waters. Reducing the severity and impact of oil discharges to Virginia waters effectively protects natural resources, recreational resources, citizens and tourism.
(3) Other Costs & Benefits (Non-Monetized)	<p>Other Costs: No conclusive statement on other non-monetized costs can be made.</p> <p>Other Benefits: Protection of natural resources, recreational resources, citizens and tourism.</p>	
(4) Alternatives	<p>Based on current statute, there are no alternatives to this regulation that are less burdensome. The statute recognizes that tank vessels that have a vessel response plan approved by the U.S. Coast Guard and a Certificate of Financial Responsibility as required by the Oil Pollution Control Act of 1990 are in compliance with this regulation. By complying with specific provisions of the Oil Pollution Control Act of 1990, a tank vessel operator is complying with Virginia's regulation, and no additional action is required by the vessel operator. The regulation as</p>	

	currently written is the least burdensome alternative to ensuring tank vessels have response plans to address spills and are financially able to pay for a response to a spill of oil, should one occur.
(5) Information Sources	Financial Responsibility information obtained from Regulatory Cost Analysis contained in Financial Responsibility Vessels:-Superseded Pollution Funds Final Rule, 86 FR 68123, 12/01/2021

**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.

**Agency Note: This is a periodic review, and the Agency decision is to retain the regulation as written. No changes to the regulation are being proposed at this time.**

*Change in Regulatory Requirements*

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change
9VAC 25-101				0

*Cost Reductions or Increases (if applicable)*

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				

*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
N/A		

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

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A			