

Office of Regulatory Management
Economic Review Form

Agency name	Commissioner of Agriculture and Consumer Services
Virginia Administrative Code (VAC) Chapter citation(s)	2 VAC 5-315
VAC Chapter title(s)	Virginia Imported Fire Ant Quarantine for Enforcement of the Virginia Pest Law
Action title	Expand imported fire ant quarantine to include certain counties in southeastern Virginia
Date this document prepared	August 4, 2023 Revised April 22, 2024, to provide additional context regarding potential costs
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Action: Final Regulation

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 exempt action expands the regulated area under the <i>Virginia Imported Fire Ant Quarantine for Enforcement of the Virginia Pest Law</i>, 2 VAC 5-315, to include the counties of Charlotte, Dinwiddie, Halifax, Lunenburg, and Sussex. The imported fire ant is also federally regulated.</p> <p>Direct Costs: Businesses in the counties included in this quarantine expansion must obtain a compliance agreement and follow all requirements listed in the Imported Fire Ant Program Manual, as required by the federal Imported Fire Ant Quarantine, prior to moving regulated articles outside of the regulated areas. As an example, a business moving nursery stock or other plant material is required to treat its plants in accordance with the Imported Fire Ant Program Manual’s outlined treatment plan and schedule. There is no direct financial cost to obtain a compliance agreement, as VDACS does not charge for the compliance agreement; however, the business moving regulated articles will have direct costs related to treatment, survey, inspection, or other requirements outlined by the compliance agreement.</p> <p>VDACS does not have reliable data on which to base an estimate as to the number of businesses that will need to move regulated articles out of the regulated area or an estimate of the direct costs to do so, which will be case-specific and likely different for each entity needing to move a regulated article out of the regulated area. Additionally, treatment methods and associated costs vary by the article that needs to be moved. Due to the number of variables and the range of costs related to those variables, VDACS is unable to provide a reasonable estimated dollar amount for the direct costs associated with expanding the regulated area.</p> <p>Indirect Costs: The agency has not identified any indirect costs.</p> <p>Direct Benefits: Expansion of the regulated area became necessary after surveys conducted by VDACS indicated that imported fire ant populations had become established in these localities and eradication was no longer feasible. If a locality has populations of imported fire ants and is not a regulated area in the existing quarantine, VDACS staff provide eradication treatments. In 2020 and 2021, VDACS spent more than \$80,000 in treatment and administrative costs to perform imported fire ant mound treatments in the counties of Charlotte, Dinwiddie, Halifax, Lunenburg, and Sussex. When a locality becomes generally infested and eradication treatments are no longer successful – as is the case in these counties – VDACS stops performing treatments for imported fire ants and will shift its work to implementing quarantine</p>
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	<p>regulations for articles moving out of these counties. The expansion of the regulated area to include these counties will be a direct benefit to VDACS and the Commonwealth, as it will eliminate the cost of these expensive treatments in these localities. However, VDACS regulatory work will have associated administrative costs, but VDACS does not have reliable data on which to base an estimate as to the difference in costs between shifting away from eradication treatment to regulatory work.</p> <p>Indirect Benefits: Businesses within counties that are not yet infested with imported fire ants will benefit from continued efforts to prevent the fire ants from spreading to those counties.</p> <p>By expanding the VDACS-regulated area to include those counties that are deemed to be generally infested, the U.S. Department of Agriculture (USDA) will expand the federal quarantine in unison. If VDACS does not continue to expand the quarantine at the county level as counties become infested, the USDA may quarantine the entire state for imported fire ants, putting more restrictions on all Virginians and allowing for the free movement of regulated articles throughout Virginia, which would weaken efforts to prevent the artificial spread of imported fire ants to uninfested parts of Virginia. Expanding the quarantine as VDACS determines a county is generally infested avoids a federally-issued statewide quarantine.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) The agency is unable to provide a reasonable estimate of the direct costs, as there are numerous, case-specific variables for each entity needing to move a regulated article out of the regulated area.	(b) The agency does not have reliable data on which to base an estimate as to the difference in costs between shifting away from eradication treatment to regulatory work.
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Based on survey data, the localities listed in Table 1a Section (1) are generally infested and treatments have not been successful in eradicating imported fire ant populations. Businesses that are regulated under the imported fire ant quarantine must certify that regulated articles are free from imported fire ant life stages or loose soil prior to leaving the quarantine. If the status quo is maintained and the quarantine is not expanded to include counties of Charlotte, Dinwiddie, Halifax, Lunenburg, and Sussex, the businesses in these localities would not be subject to this requirement. Individuals and businesses would be able to move regulated articles freely from these counties, which are known to be infested, into uninfested counties with no requirements or safeguards to ensure that regulated articles are free from imported fire ants. VDACS would also have to continue treating mounds in an effort to slow the spread within the infested localities.</p> <p>Direct Costs: In 2020 and 2021, VDACS spent more than \$80,000 in treatment and administrative costs to perform imported fire ant mound treatments in the counties listed in Table 1a Section (1). If the status quo is maintained, VDACS would continue to treat these imported fire ant mounds, spending approximately \$40,000 per year.</p> <p>Additionally, shipments traveling from or through Virginia may not be allowed to enter states that have imported fire ant quarantines. VDACS does not have reliable data on which to base a reasonable estimated dollar amount for this direct cost.</p> <p>Maintaining the current regulation will increase the artificial spread of the imported fire ant and result in increased pest management costs incurred by Virginia’s agricultural and forestry industries and landowners in order to address imported fire ant infestations. VDACS does not have reliable data on which to base a reasonable estimated dollar amount for this direct cost, but it could be substantial.</p> <p>Indirect Costs: The agency has not identified any indirect costs.</p> <p>Direct Benefits: Businesses in the localities added to the regulated area for the imported fire ant quarantine listed in Table 1a Section (1) would not need to obtain a compliance agreement from VDACS, treat for imported fire ants, or conduct inspections prior to moving regulated articles. VDACS does not have reliable data on which to base a reasonable estimated dollar amount for this direct benefit.</p> <p>Indirect Benefits: The agency has not identified any indirect benefits.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$40,000 per year or more, depending on imported fire ant populations	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>There are no other alternatives less intrusive or costly to prevent the artificial spread of the imported fire ant than the expansion of the quarantine to include the counties of Charlotte, Dinwiddie, Halifax, Lunenburg, and Sussex.</p> <p>Direct Costs: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: N/A</p> <p>Indirect Benefits: N/A</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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 & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: Local partners that will move regulated articles out of the regulated area must obtain a compliance agreement and follow all required inspection, treatment, or other duties outlined to comply with USDA’s Imported Fire Ant Program Manual and this regulation. There is no cost to obtain a compliance agreement. The regulation requires localities to inspect regulated articles to ensure that such articles are free from loose soil and any imported fire ant life stages before moving out of the regulated area. It is anticipated that localities will be able to absorb associated costs and would require no additional funding or FTEs. VDACS does not have reliable data on which to base an estimate as to the number of local partners that will need to move regulated articles out of the regulated area. Additionally, treatment methods and associated costs vary by the article that needs to be moved. Due to the number of variables and the range of costs related to those variables, VDACS is unable to provide a reasonable estimated dollar amount for the direct costs associated with expanding the regulated area.</p> <p>Indirect Costs: As VDACS does not typically perform treatments of imported fire ants within quarantined areas, the counties included in this action to expand the quarantine that choose to treat for imported fire ant on locality-managed or locality-owned property will incur an expense to do so. This is an indirect cost, though, because a locality is not required to treat imported fire ants on its property unless such is necessary in order to comply with the provisions governing the movement of regulated articles out of the regulated area.</p> <p>Direct Benefits: By expanding the quarantine and reducing the artificial spread of the imported fire ant, those localities that are not currently infested with imported fire ants will benefit from the five counties being included in the regulated area.</p> <p>Indirect Benefits: The agency has not identified any indirect benefits.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) N/A</p>	<p>(b) N/A</p>

(3) Other Costs & Benefits (Non-Monetized)	N/A
(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)	<p>Direct Costs: VDACS does not have reliable data on which to base a reasonable estimated dollar amount for any direct cost for families in the newly expanded localities.</p> <p>Indirect Costs: As VDACS does not typically perform treatments of imported fire ants within quarantined areas, families located in the counties included in this quarantine expansion will have to perform treatments of imported fire ants at their own expense. This is an indirect cost because families are not required to treat fire ants on their property, unless they are required to comply with the provisions governing the movement of regulated articles out of the regulated area.</p> <p>Direct Benefits: Families that are outside of the newly expanded quarantine will benefit from having businesses and individuals comply with provisions of the quarantine, which is designed to prevent the artificial (human-assisted) spread of imported fire ants from infested areas (newly expanded counties) to uninfested parts of the Commonwealth. VDACS does not have reliable data on which to base a reasonable estimated dollar amount for any direct benefit for families outside of the localities included in this quarantine expansion.</p> <p>Indirect Benefits: The agency has not identified any indirect benefits.</p>	
	(2) Present Monetized Values	Direct & Indirect Costs
	(a) N/A	(b) N/A

(3) Other Costs & Benefits (Non-Monetized)	N/A
(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

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>VDACS estimates that many of the businesses located in the counties of Charlotte, Dinwiddie, Halifax, Lunenburg, and Sussex may be small businesses; however, VDACS does not have reliable data on which to base a reasonable estimated dollar amount for any direct benefit or cost to a small business associated with this quarantine expansion.</p> <p>Direct Costs: When a locality becomes generally infested and eradication treatments are no longer successful, VDACS stops performing treatments for imported fire ants and shifts its work to more regulatory in nature. Businesses that are regulated under the imported fire ant quarantine must certify that regulated articles are free from imported fire ant life stages or loose soil prior to leaving the quarantine. VDACS does not have reliable data on which to base an estimate as to the number of businesses that will need to move regulated articles out of the regulated area or an estimate of the direct costs to do so, which will be case-specific and likely different for each entity needing to move a regulated article out of the regulated area. Additionally, treatment methods and associated costs vary by article that needs to be moved. As VDACS does not typically perform treatments of imported fire ants within the quarantined areas, businesses located in the counties included in this quarantine expansion will have to perform treatments of imported fire ants at their own expense on their managed or owned property.</p> <p>Indirect Costs: The agency has not identified any indirect costs.</p> <p>Direct Benefits: Small businesses in uninfested counties will benefit from the quarantine, which is designed to prevent imported fire ants from spreading.</p> <p>Indirect Benefits: The agency has not identified any indirect benefits.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Due to the number of variables and the range of costs related to those variables, VDACS is unable to provide a reasonable estimated dollar amount for the direct costs associated with expanding the regulated area.	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	Excluding small businesses in the newly designated localities from the compliance and pest-free status requirements established in the regulation would reduce the effectiveness of the quarantine in slowing the artificial spread of imported fire ant to uninfested parts of the Commonwealth.	
(5) Information Sources	N/A	

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
2 VAC 5-315-50	0	0*	0	0

* This regulatory action does not change the number of requirements in 2 VAC 5-315. By expanding the regulated area for the imported fire ant quarantine, this regulatory action increases who is subject to the requirements of 2 VAC 5-315.

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
2 VAC 5-315-50	*	0	*	*

* The costs associated with moving regulated articles from the new regulated areas will be case-specific and likely different for each entity needing to move a regulated article.

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			