



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 45-20 – Board for Branch Pilots Regulations
Department of Professional and Occupational Regulation
March 5, 2010

Summary of the Proposed Amendments to Regulation

The Virginia Board for Branch Pilots (Board) proposes to: 1) require that a chemical test be conducted for license renewal if the branch pilot had not been subject to random chemical testing during the prior 24 months, 2) amend the time a branch pilot has to inform the board that he has been found guilty of an offense involving moral turpitude, alcohol, or drugs from 30 to 7 days, and 3) add clarifying language.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under the current regulations licensed branch pilots are subject to random chemical testing at an annual selection rate of not less than 30% and not more than 100% of total licensees. Chemical tests are tests for the presence of alcohol, controlled substances listed in Schedules I – V of the Control Act (§ 54.1-3400 et seq. of the Code of Virginia) or marijuana. The Board proposes to also require testing for license renewal if the branch pilot had not been subject to random chemical testing during the prior 24 months. The regulations state that “Licensees shall be responsible for all costs associated with random chemical testing;” but according to the Department of Professional and Occupational Regulation, in practice the Virginia Pilot Association pays for all of the testing. All licensed branch pilots are members of the Virginia Pilot Association and share equally in its costs.¹ The Virginia Pilot Association anticipates approximately 15 additional chemical tests at an approximate cost of \$50 per test. Given

¹ Source: Department of Professional and Occupational Regulation and The Virginia Pilot Association

approximately 50 members in the association, the proposal will therefore increase costs by about \$15 per year per licensee/association member.

The purpose of testing for drugs and alcohol is to determine whether licensees are impaired, and thus more likely to cause or be involved in an accident while piloting a ship. The cost of major accidents can be in the millions of dollars for both property and environmental damage. In addition to substantial damage to ships and the environment, accidents can also limit the conduct of commerce on particular bodies of water, causing significant delays and increased costs to businesses and citizens. There is also the potential for loss of life. The board may suspend a license or deny renewal of licensure if the test results indicate impairment or if the licensee refuses to take the test.

Chemically impaired (drugs or alcohol) automobile and truck drivers are more likely to be involved in accidents than sober drivers are. It seems reasonable to speculate that the same is true for branch pilots. Thus, it seems likely that the proposal to require chemical testing for license renewal if the branch pilot had not been subject to random chemical testing during the prior 24 months could decrease the chance of an accident occurring at a given time. The decrease in likelihood of accidents is not known, but given the potential for property and environmental damage, as well as injury, it seems likely the benefit of reduced risk exceeds the approximate annual \$15 cost per licensee.

The proposal to amend the time a branch pilot has to inform the Board that he has been found guilty of an offense involving moral turpitude, alcohol, or drugs from 30 to 7 days should provide a net benefit. Given modern communication technology, providing brief information within 7 days is quite simple and involves negligible cost. Receiving this information sooner may enable the Board to remove an unsafe pilot from service sooner, thus improving public safety.

Businesses and Entities Affected

The proposed amendments affect the 48 licensed branch pilots and limited branch pilots in Virginia and the Virginia Pilot Association.²

² Data source: Department of Professional and Occupational Regulation

Localities Particularly Affected

All on-duty licensed branch pilots await duty assignments in Virginia Beach.

Projected Impact on Employment

The proposal amendments will not significantly affect employment.

Effects on the Use and Value of Private Property

The proposed increase in chemical testing may moderately reduce the likelihood of accidents and their associated property damage.

Small Businesses: Costs and Other Effects

The proposed amendments will increase costs for the Virginia Pilot Association by about \$750 annually. Members and their small businesses will have increased costs of about \$15 annually per pilot. The proposed increase in chemical testing may moderately reduce the likelihood of accidents and their associated property damage.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The increased cost for small businesses is moderate and cannot be significantly minimized while still achieving the intended potential increase in public safety.

Real Estate Development Costs

The proposed amendment will not significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 107 (09). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small

businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.

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