

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Marine Resources Commission
Virginia Administrative Code (VAC) Chapter citation(s)	4 VAC 20-270
VAC Chapter title(s)	Pertaining to Blue Crab Fishery
Action title	2023-2024 Blue Crab Management Measures
Date this document prepared	May 30, 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)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: \$0 These amendments open the blue crab fishery for 2023-2024.</p> <p>Indirect Costs:</p> <p>Direct Benefits: \$29,000,000 The direct benefits are estimated as the dockside value of blue crabs in Virginia in 2022 since these amendments establish the 2023-2024 blue crab fishery.</p> <p>Indirect Benefits: Employment and products from crab fishery and support sectors, including buyers, processors, gear vendors, and retail establishments.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$29,000,000
(3) Net Monetized Benefit	\$29,000,000	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Mandatory harvest reporting and voluntary dealer price reporting	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: \$29,000,000 Closing the fishery due to these amendments not moving the season dates forward would have a high direct cost. The direct cost is estimated as the dockside value of blue crabs in Virginia in 2022 since these amendments establish the 2023-2024 blue crab fishery.</p> <p>Indirect Costs: Unemployment and loss of sales from crab fishery and support sectors, including buyers, processors, gear vendors, and retail establishments.</p> <p>Direct Benefits: \$0 There would be no benefit to not establishing an open season for the blue crab fishery.</p> <p>Indirect Benefits:</p>	
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$29,000,000	(b) \$0
(3) Net Monetized Benefit	-\$29,000,000	
(4) Other Costs & Benefits (Non-Monetized)	Benefits: The crab population would experience much less fishing pressure and would likely increase in abundance.	
(5) Information Sources	<p>MRC Mandatory Harvest Reporting Program and Voluntary Seafood Pricing Survey.</p> <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>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: \$870,613 (Estimate)</p> <p>The proposed amendments include an increase the lower bushel limits in place for spring and fall of the coming season for watermen with certain hard crab pot licenses. Models suggest increasing the low bushel limit could result in as much as a 480,000-pound increase in harvest over the alternative of last year’s measures. This may be an overestimate, as these models assume bushel limits are the only constraining factor on harvest. Voluntary dealer reporting of blue crab dockside value for 2022 estimates an average price per pound of crabs harvested from hard crab pots of \$1.80 per pound. This would result in a direct benefit of around \$870,613 dockside value for hard crab pot licensees.</p> <p>Indirect Costs:</p> <p>Direct Benefits: \$29,000,000</p> <p>The direct benefits are estimated as the dockside value of blue crabs in Virginia in 2022 since these amendments establish the 2023-2024 blue crab fishery.</p> <p>Indirect Benefits: Employment and products from crab fishery and support sectors, including buyers, processors, gear vendors, and retail establishments.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$870,613	(b) \$29,000,000
(3) Net Monetized Benefit	\$28,129,387	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Mandatory harvest reporting and voluntary dealer price reporting	

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: Participants in the commercial blue crab fishery can be considered small or independent businesses, as are many of the crab buyers, processors, and retail operations. Indirect Benefits:	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(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 20-270-40	5	0	0	0
4 VAC 20-270-51	7	0	0	0

Cost Reductions or Increases (if applicable)

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

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