



Virginia Department of Planning and Budget **Economic Impact Analysis**

9 VAC 25-101 Tank Vessel Oil Discharge Contingency Plan and Financial Responsibility Regulation

Department of Environmental Quality

June 5, 2014

Summary of the Proposed Amendments to Regulation

The State Water Control Board (Board) proposes to: 1) revise language to clarify that tank vessel operators may meet financial assurance requirements by having a Certificate of Financial Responsibility approved by the U.S. Coast Guard, 2) correct a Code of Virginia citation, 3) repeal obsolete regulatory language, and 4) repeal one listed cause for revocation of an oil discharge contingency plan.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposals to revise language to clarify that tank vessel operators may meet financial assurance requirements by having a Certificate of Financial Responsibility approved by the U.S. Coast Guard, correct a Code of Virginia citation, and repeal obsolete regulatory language will all have no impact on requirements for tank vessel operators (or anyone else). These proposed amendments are all moderately beneficial in that they may reduce some potential confusion amongst the interested public.

Code of Virginia §62.1-44.34:15 lists the Board's authority to revoke an oil discharge contingency plan. The statute does not identify a vessel no longer in operation as a reason the Board may revoke an oil discharge contingency plan (ODCP). Thus the Board proposes to remove "The tank vessel is no longer in operation" from the regulation's list of causes to revoke an ODCP. According to the Department of Environmental Quality, the Board has never revoked

an ODCP due to a vessel no longer being in operation. Since it has been determined that the Board did not have this authority anyway, repealing this language will also be beneficial in that the regulatory language will more accurately reflect requirements and regulatory authority in practice.

Businesses and Entities Affected

The regulation applies to all tank vessels transporting or transferring oil upon state waters having a maximum storage, handling or transporting capacity of equal to or greater than 15,000 gallons of oil. Currently two tank vessel operators are required to provide financial assurance to Virginia for their vessels. All other vessels are meeting the requirements of Virginia's regulation through complying with the Oil Pollution Act of 1990.

Localities Particularly Affected

The regulation applies to all state waters, but particularly affects coastal localities and localities with navigable rivers that are frequented by oil tank vessels.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments will not create an adverse impact for small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

General: The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 14 (2010). Section 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to:

- the projected number of businesses or other entities to whom the proposed regulatory action 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.

Small Businesses: If the proposed regulatory action will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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