

Office of Regulatory Management
Economic Review Form

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| Agency name | Virginia Marine Resources Commission |
| Virginia Administrative Code (VAC) Chapter citation(s) | 4VAC20-720 |
| VAC Chapter title(s) | Pertaining to restrictions on oyster harvest |
| Action title | Adjustments to the Public Oyster Harvest Season |
| Date this document prepared | March 4, 2024 |
| 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)

| | | |
|---|--|---------------------------------------|
| <p>(1) Direct & Indirect Costs & Benefits (Monetized)</p> | <p>This regulation will adjust the 2023-2024 areas of public harvest, public oyster harvest seasons, and oyster resource conservation measures.</p> <p>Direct Costs: \$80,000 for every week of harvest using scrapes or dredges. Areas open to harvest by scrape or dredge consistently require shell planting of two bushels of shell (approximate cost of \$4.00 per bushel) for every bushel of harvest from the area. 80% of harvest is by these gear types since 2018. ~\$2.5 million is spent annually to maintain harvest areas open to these two gear types.</p> <p>Indirect Costs: Any regulatory changes that allow for increased harvest may result in a higher direct benefit. However, increased harvests in the near term may result in decreased harvest in the future and a less economically and ecologically sustainable long-term fishery. A significant portion of Virginia’s seafood industry is largely dependent on the public oyster fishery for nearly 6 months of the year.</p> <p>Direct Benefits: Estimated at \$684,000 per week of open harvest (12,500 bushels x \$54.76) Approximately 12,500 bushels of oysters are harvested from public ground each week of the public oyster harvest season. The average dockside value (paid to the commercial fishermen) per bushel of public oysters was \$54.76 over the last 5 years. There is some fluctuation in price due to market conditions.</p> <p>The proposed regulation increases the length of the season by six weeks (from 20 to 26 weeks) which is an increase in season length and revenue of 30%. This increased season length with result in an estimated \$4,104,000 of income to harvesters.</p> <p>Indirect Benefits: Increased market products from oyster fishery and support sectors.</p> | |
| <p>(2) Present Monetized Values</p> | <p>Direct & Indirect Costs</p> | <p>Direct & Indirect Benefits</p> |
| | <p>(a) \$480,000</p> | <p>(b) \$4,104,000</p> |
| <p>(3) Net Monetized Benefit</p> | <p>\$3,624,000</p> | |
| <p>(4) Other Costs & Benefits (Non-Monetized)</p> | | |

| | |
|-------------------------|--|
| (5) Information Sources | <p>MRC Mandatory Harvest Reporting Program and Voluntary Seafood Pricing Survey.</p> <p>The <i>Mandatory Harvest Reporting Program</i> is an MRC run program that requires all commercially licensed seafood harvesters in Virginia to report all harvests of seafood monthly.</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> |
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

| | | |
|--|---|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: No Change</p> <p>Indirect Costs: No Change</p> <p>Direct Benefits: No Change</p> <p>Indirect Benefits: Unknown</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) | (b) |
| (3) Net Monetized Benefit | | |
| (4) Other Costs & Benefits (Non-Monetized) | A higher potential for an economically and ecologically sustainable long-term fishery. | |
| (5) Information Sources | | |

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

| | | |
|--|-------------------------|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | NA | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |

| | | |
|--|-----|-----|
| | (a) | (b) |
| (3) Net Monetized Benefit | | |
| (4) Other Costs & Benefits (Non-Monetized) | | |
| (5) Information Sources | | |

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) | NA | |
| (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) | NA | |
| (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: A considerable portion of the participants in the Virginia public oyster fishery are likely small or independent Businesses. 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* | Authority of Change | Initial Count | Additions | Subtractions | Total Net Change in Requirements |
|--|---------------------|-------------------|-----------|--------------|--|
| 4 VAC 20-720 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |
| | (D/R): | 31 original lines | 0 | -9.3* | -9.3 regulatory burden (see below table) |
| Grand Total of Changes in Requirements: | | | | | (M/A):0 (D/A):0 (M/R):0 (D/R): -9.3 |

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

| VAC Section(s) Involved* | Description of Regulatory Requirement | Initial Cost | New Cost | Overall Cost Savings/Increases |
|--------------------------|---|--------------|-------------|--------------------------------|
| 4 VAC 20-720-40 | Increase in Season Length Estimated at \$684,000 per week for 6 weeks | \$0 | \$4,104,000 | 30% increase in revenue |

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

| Title of Guidance Document | Original Length | New Length | Net Change in Length |
|-----------------------------------|------------------------|-------------------|-----------------------------|
| NA | | | |
| | | | |

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).