

Office of Regulatory Management
Economic Review Form

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| Agency name | Virginia Marine Resources Commission |
| Virginia Administrative Code (VAC) Chapter citation(s) | 4VAC20-1270 |
| VAC Chapter title(s) | Pertaining to Atlantic Menhaden |
| Action title | |
| Date this document prepared | May 14, 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)

| | | |
|--|--|---|
| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>There were no direct or indirect costs of the amendment.</p> <p>Direct Benefits: In 2022, the revenue for the total landings of the menhaden fishery in Virginia was \$71,978,760. In 2022, the menhaden purse seine bait sector landed 23% of the landings, therefore we could approximate that the purse seine bait fishery generates approximately \$14,395,752. Currently regulation only allows quota to be transferred or sold to other licensees within the menhaden purse seine fishery.</p> <p>Indirect Benefits: Additionally, in the event of an emergency (ex. a bait vessel sinking, facility storm damage, death) this amendment will allow licenses and quota to be transferred outside of the original eligible participants.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) \$0 | (b) An increase of \$14,395,752 from ensuring that the purse seine bait fishery does not close if licenses and quota were unable to be transferred outside of the original licensees. |
| (3) Net Monetized Benefit | \$14,395,752 | |
| (4) Other Costs & Benefits (Non-Monetized) | | |
| (5) Information Sources | <p>VMRC Mandatory Harvest Reporting</p> <p>Virginia Fishing Economics: Economics from Fisheries Economics of the United States 2022 Economics and Sociocultural Status and Trends Series. NOAA 2022. https://media.fisheries.noaa.gov/2023-09/FEUS-2020-final2-web-0.pdf</p> | |

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

| | |
|--|--|
| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: The status quo regulation would limit the transfer of the menhaden purse-seine bait license and quota. Should a license holder need to transfer their license and quota, they could only transfer to another currently eligible license holder. This may mean that their license/quota could not be transferred if the other licensee did not want to purchase their quota.</p> |
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|--|--|----------------------------|
| | <p>Indirect Costs:</p> <p>Direct Benefits: The status quo regulation would have had no direct benefits.</p> <p>Indirect Benefits: The status quo regulation would have had no indirect benefits.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) \$0 | (b) \$0 |
| (3) Net Monetized Benefit | \$0 | |
| (4) Other Costs & Benefits (Non-Monetized) | | |
| (5) Information Sources | <p>Virginia Fishing Economics: Economics from Fisheries Economics of the United States 2022 Economics and Sociocultural Status and Trends Series. NOAA 2022. https://media.fisheries.noaa.gov/2023-09/FEUS-2020-final2-web-0.pdf</p> <p>VMRC Mandatory Harvest Reporting</p> | |

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

| | | |
|--|--|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | There were no alternative options considered other than status quo (listed above). | |
| (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) | This regulatory change will have no direct or indirect cost to local partners. This regulatory change will have no direct or indirect benefits for local partners. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) \$0 | (b) \$0 |
| (3) Other Costs & Benefits (Non-Monetized) | None | |
| (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) | There are no direct or indirect costs for families. There are no direct or indirect benefits for families. | |
| (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) | <p>This regulatory change will have no direct or indirect cost to small businesses.</p> <p>This regulatory change will have no direct benefits to small businesses.</p> <p>Indirect Benefits: The Virginia bait fishery provides bait across the Atlantic and Gulf coasts for crustacean fisheries such as blue crab. U bait availability could positively impact small businesses that buy and sell bait.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) | (b) |
| (3) Other Costs & Benefits (Non-Monetized) | | |
| (4) Alternatives | | |
| (5) Information Sources | <p>Virginia Fishing Economics: Economics from Fisheries Economics of the United States 2022 Economics and Sociocultural Status and Trends Series. NOAA 2022. https://media.fisheries.noaa.gov/2023-09/FEUS-2020-final2-web-0.pdf</p> <p>VMRC Mandatory Harvest Reporting</p> | |

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 20-1270-40 | (M/A): | 0 | 0 | 0 | 0 |
| | (D/A): | 0 | 0 | 0 | 0 |
| | (M/R): | 0 | 0 | 0 | 0 |

| | | | | |
|---------------|-----------|----------|--|---------------------|
| (D/R): | 11 | 0 | 23% revenue increase * 11 D/R lines = 2.53 | -2.53 |
| | | | Grand Total of Changes in Requirements: | (M/A):0 |
| | | | | (D/A):0 |
| | | | | (M/R):0 |
| | | | | (D/R): -2.53 |

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 |
|--------------------------------|--|---------------------|-----------------|---------------------------------------|
| | | | | |

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 |
|--------------------------------|---|--|
| | | |