Appendix F. Regulatory Impact Review

The National Marine Fisheries Service (NMFS) requires a Regulatory Impact Review (RIR) for all regulatory actions that are of public interest. The RIR does three things: (1) It provides a comprehensive review of the level and incidence of impacts associated with a regulatory action; (2) it provides a review of the problems and policy objectives prompting the regulatory proposals and an evaluation of the major alternatives which could be used to solve the problem; and (3) it ensures that the regulatory agency systematically and comprehensively considers all available alternatives so that the public welfare can be enhanced in the most efficient and cost effective way.

The RIR also serves as the basis for determining whether any proposed regulations are a "significant regulatory action" under certain criteria provided in Executive Order 12866 (E.O. 12866) and whether the approved regulations will have a "significant economic impact on a substantial number of small business entities" in compliance with the Regulatory Flexibility Act of 1980 (RFA).

1.1 Problems and Objectives

The purpose and need, issues, problems, and objectives of this action are presented in **Chapter 1** of Regulatory Amendment 13 to the Snapper Grouper Fishery of the South Atlantic Region (Regulatory Amendment 13), and are incorporated herein by reference.

1.2 Methodology and Framework for Analysis

This RIR assesses management measures from the standpoint of determining the resulting changes in costs and benefits to society. To the extent practicable, the net effects of the proposed measures for an existing fishery should be stated in terms of producer and consumer surplus, changes in profits, and employment in the direct and support industries. Where figures are available, they are incorporated into the analysis of the economic impacts of the different actions and alternatives.

1.3 Description of the Fishery

A description of the South Atlantic snapper grouper fishery is contained in **Chapter 3** of Regulatory Amendment 13 and is incorporated herein by reference.

1.4 Effects of the Management Measure

1.4.1. Commercial Landings

Alternative 2 (Preferred) would change the commercial ACLs for five stock complexes and six individual stocks, which are expected to increase annual commercial landings of deepwater stock complex and porgies, but decrease annual commercial landings of the jacks stock complex, blue runner, and gray triggerfish. There are expected to be no changes in annual landings of three stock complexes and four individual stocks because expected landings are expected to remain under the current and proposed ACLs.

Alternative 2 (Preferred) would increase annual commercial landings by 33,821 lbs whole weight (lbs ww) and $78,259 and, at the same time, decrease annual commercial landings by 46,527 lbs ww and $74,520, resulting in a net loss of 12,706 lbs but a net gain of $3,769 (**Table 1.1**). There would be a net gain of ex-vessel revenue because the average ex-vessel price of a pound of deepwater stock complex species gained is substantially greater than the average ex-vessel price of a pound of gray triggerfish lost.

Table 1.1. Expected annual changes of commercial landings.

Stock Complex/Species	Commercial Landings					
	Lbs ww					Dollars
	Current ACL	Proposed ACL	Potential Landings Change	Expected 2012 Landings	Expected Landings Change	Expected Change of Ex-Vessel Revenue
Deepwater	343,869	376,469	32,601	343,869	32,601	76,612
Jacks	193,999	189,421	-4,578	193,999	-4,578	-3,250
Snappers	204,552	215,663	11,111	151,205	0	0
Shallow Water Groupers	49,489	49,777	288	27,932	0	0
Grunts	214,624	218,539	3,915	111,862	0	0
Porgies	35,128	36,348	1,220	35,128	1,220	1,647
Atlantic spadefish	36,476	35,108	-1,368	2,568	0	0
Blue runner	188,329	177,506	-10,823	187,073	-9,567	-10,716
Bar jack	6,686	5,265	-1,421	2,881	0	0
Gray triggerfish	305,262	272,880	-32,382	305,262	-32,382	-60,554
Scamp	341,636	333,100	-8,536	220,378	0	0
Hogfish	48,772	49,469	697	28,210	0	0
Total	1,968,822	1,959,545	-9,276	1,610,367	-12,706	3,739

1.4.2. Recreational Landings

Alternative 2 (Preferred) would increase the recreational ACLs of three stock complexes and two individual stocks, while decreasing the recreational ACLs of three stock complexes and four individual stocks. However, annual recreational landings are expected not to change in all six stock complexes and five of the six individual stocks (**Table1.2**). **Alternative 2 (Preferred)** would yield a loss of Atlantic spadefish landings of 92,013 lbs and a decrease in associated economic benefits.

Table 1.2. Expected annual changes of recreational landings.

Stock Complex/Species	Recreational Landings				
	Lbs ww				
	Current ACL	Proposed ACL	Potential Landings Change	Expected 2012 Landings	Expected Landings Change
Deepwater	332,081	334,556	2,475	22,139	0
Jacks	261,490	267,800	6,310	163,867	0
Snappers	882,388	728,577	-153,811	117,651	0
Shallow Water Groupers	48,329	46,656	-1,673	18,687	0
Grunts	562,151	588,112	25,961	142,412	0
Porgies	113,869	106,915	-6,954	65,285	0
Atlantic spadefish	246,365	154,352	-92,013	246,365	-92,013
Blue runner	1,101,612	948,223	-153,389	235,011	0
Bar jack	13,834	19,515	5,681	2,213	0
Gray triggerfish	367,303	353,638	-13,665	122,434	0
Scamp	150,936	176,688	25,752	50,312	0
Hogfish	98,866	85,355	-13,511	75,138	0
Total	4,179,224	3,810,387	-368,837	1,261,514	-92,013

From 2006 to 2011 approximately 97% of Atlantic spadefish landings in the South Atlantic states were by private anglers (http://www.st.nmfs.noaa.gov/st1/recreational/queries/catch/time_series.html query on October 24, 2012). It is assumed that this percent would apply to expected annual losses of Atlantic spadefish landings to private anglers. Consequently, **Alternative 2 (Preferred)** is expected to reduce private anglers' annual landings of Atlantic spadefish by 89,253 lbs and for-hire operations by 2,760 lbs.

1.4.3. Total Landings

Alternative 2 (Preferred) would reduce total landings of the South Atlantic Snapper Grouper Fishery by 104,719 lbs. Approximately 88% of this total loss would be losses of recreational landings. The dollar value of the total loss would be equivalent to the combined losses of consumer surplus and producer surplus less the gain of ex-vessel revenue.

1.5 Public and Private Costs of Regulations

The preparation, implementation, enforcement, and monitoring of this or any Federal action involves the expenditure of public and private resources, which can be expressed as costs associated with the regulations. Costs associated with this emergency action include, but are not limited to Council costs of document preparation, meeting, and other costs; NMFS administration costs of document preparation, meetings and review, and annual law enforcement costs. A preliminary estimate is up to $150,000 before annual law enforcement costs.

1.6 Determination of Significant Regulatory Action

Pursuant to E.O. 12866, a regulation is considered a “significant regulatory action” if it is expected to result in: (1) An annual effect of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights or obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this executive order. Based on the information provided above, this regulatory action would not meet the first criterion. Therefore, this regulatory action is determined to not be economically significant for the purposes of E.O. 12866.