

## **7.0 REGULATORY IMPACT REVIEW**

The Regulatory Impact Review (RIR) is conducted to comply with Executive Order 12866 (E.O. 12866) and provides analyses of the economic benefits and costs of each alternative to the nation and the fishery as a whole. Certain elements required in an RIR are also required as part of an environmental impact statement (EIS). Thus, this section should be considered only part of the RIR, the rest of the RIR can be found throughout this document.

### **7.1 DESCRIPTION OF THE MANAGEMENT OBJECTIVES**

Please see Chapter 1 for a description of the management objectives associated with this Amendment.

### **7.2 DESCRIPTION OF THE FISHERY**

Please see Chapter 3 for a description of the fisheries that could be affected by this Amendment.

### **7.3 STATEMENT OF THE PROBLEM**

Please see Chapter 1 for a description of the problem and need for this Amendment.

### **7.4 DESCRIPTION OF EACH ALTERNATIVE**

Please see Chapter 2 for a summary of each alternative and Chapter 4 for a complete description of each alternative and its expected ecological, social, and economic impacts. Chapters 6 and 8 provides additional information related to the alternatives.

### **7.5 ECONOMIC ANALYSIS OF EXPECTED EFFECTS OF EACH ALTERNATIVE RELATIVE TO THE BASELINE**

NOAA Fisheries does not believe that the national net benefits and costs would change significantly in the long-term as a result of implementation of the preferred alternatives. The total amount of sharks landed and available for consumption are not expected to change substantially in the short-term as a result of this action. In the long-term, as LCS are rebuilt to sustainable levels, the total amount of sharks may increase.

The 1997 quotas of 1,285 mt dw for LCS and 1,760 mt dw for SCS were used as baselines for comparison and economic impact analyses on commercial quota alternatives. Fishermen have been fishing under these quotas since 1997. While the 2003 emergency rule did increase the LCS quota slightly from the 1997 LCS baseline (i.e., 1,285 mt dw without state landings; 1,600 mt dw with state and Federal landings combined) to 1,714 mt dw (i.e., 1,714 mt dw with state and Federal landings combined), the action was temporary and intended to serve as an interim management measure until the completion of this Amendment. Under the preferred alternatives

the commercial LCS and SCS quotas decrease (See Tables 6.4 and 6.5). The recreational bag limits increase under the preferred alternatives outlined in Chapters 2 and 4. Table 7.1 indicates the possible net economic benefits and costs of each alternative.

## 7.6 CONCLUSION

Under E.O. 12866, a regulation is a “significant regulatory action” if it is likely to: 1) have an annual effect on the economy 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, and obligation 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 the Executive Order. The preferred alternatives described in this document do not meet the above criteria. Therefore, under E.O. 12866, the preferred alternatives described in this document have been determined to be not significant for the purposes of E.O. 12866. A summary of the expected net economic benefits and costs of each alternative, which are based on supporting text in Chapters 4 and 6, can be found in Table 7.1.

**Table 7.1 Summary of the net benefits and costs for each alternative**

Alternative	Net Economic Benefits	Net Economic Costs
<i>LCS Classification</i>		
A1	None	Minimal - sorting requirement could lengthen trips
A2	None	Minimal - sorting requirement could lengthen trips
A3 -Preferred Alternative	Minimal - no sorting needed, except for prohibited species	Minimal - if quotas for complex reduce quota, then decreases in revenue may occur
A4	Minimal - if quotas on individual species increase quota, then increases in revenues may occur	Minimal - sorting requirements could lengthen trips
<i>Commercial Quota Administration</i>		
B1	None	Minimal
B2	None	None

<b>Alternative</b>	<b>Net Economic Benefits</b>	<b>Net Economic Costs</b>
B3 - Preferred Alternative	Minimal	None
B4 - Preferred Alternative	Minimal	Minimal
B5	Minimal	Minimal
<i>Commercial Quota Basis</i>		
C1	<ul style="list-style-type: none"> <li>• Could be benefit if LCS stocks rebuild</li> </ul>	<ul style="list-style-type: none"> <li>• 24% reduction in LCS quota (See Table 6.4)</li> </ul>
C2 (plus A3) - Preferred Alternative	<ul style="list-style-type: none"> <li>• 10% increase in SCS quota (See Table 6.5)</li> <li>• For LCS (rebuilding all species) a benefit could occur in long-term</li> </ul>	<ul style="list-style-type: none"> <li>• 21% reduction in LCS quota (See Table 6.4)</li> </ul>
C2 (plus A1/A2)	<ul style="list-style-type: none"> <li>• 14% increase in LCS quota (See Table 6.4)</li> <li>• 10% increase in SCS quota (See Table 6.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Could be cost if LCS stocks do not rebuild in the long-term</li> </ul>
C2 (plus A4)	<ul style="list-style-type: none"> <li>• 33% increase in LCS quota (See Table 6.4)</li> <li>• 10% increase in SCS quota (See Table 6.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Could be cost if LCS stocks do not rebuild in the long-term</li> </ul>
C3 (plus A3)	None	<ul style="list-style-type: none"> <li>• 28% reduction in LCS quota (See Table 6.4)</li> <li>• 17% reduction in SCS quota (See Table 6.5)</li> </ul>
C3 (plus A1/A2)	<ul style="list-style-type: none"> <li>• 21% increase in LCS quota (See Table 6.4)</li> </ul>	<ul style="list-style-type: none"> <li>• 17% reduction in SCS quota (See Table 6.5)</li> <li>• Could be cost if LCS stocks do not rebuild in the long-term</li> </ul>
C3 (plus A4)	<ul style="list-style-type: none"> <li>• 16% increase in LCS quota (See Table 6.4)</li> </ul>	<ul style="list-style-type: none"> <li>• 17% reduction in SCS quota (See Table 6.5)</li> <li>• Could be cost if LCS stocks do not rebuild in the long-term</li> </ul>

<b>Alternative</b>	<b>Net Economic Benefits</b>	<b>Net Economic Costs</b>
<i>Commercial Minimum Size</i>		
D1	Minimal	Minimal
D2 - Preferred Alternative	None	None
D3	Minimal	Minimal
D4	Minimal	Minimal
D5	Minimal	Minimal
D6	Minimal	Minimal
<i>Recreational Retention Limits</i>		
E1	None	None
E2 - Preferred Alternative	Minimal	None
E3	Minimal	None
E4	Minimal	None
E5	Minimal, if the retention limit is more than the current limit.	Minimal, if the retention limit is less than the current limit.
E6	None	Moderate
E7	In the short-term, increases in participation possible. In the long-term, none.	In the short-term, none. In the long-term, fishery could be overfished.
<i>Recreational Minimum Size</i>		
F1	None	None
F2 - Preferred Alternative	Minimal	None
F3	In the short-term, none. In the long-term, economic revenues could increase as sharks rebuild.	In the short-term, WTP could decrease if fishermen couldn't land sharks. In the long-term, none.

<b>Alternative</b>	<b>Net Economic Benefits</b>	<b>Net Economic Costs</b>
F4	In the short-term, none. In the long-term, economic revenues could increase as sharks rebuild.	In the short-term, WTP could decrease if fishermen couldn't land sharks. In the long-term, none.
F5	In the short-term, none. In the long-term, economic revenues could increase as sharks rebuild.	In the short-term, WTP could decrease if fishermen couldn't land sharks. In the long-term, none.
F6	In the short-term, increases in participation possible. In the long-term, none.	In the short-term, none. In the long-term, costs to fish could increase and fish may be hard to catch if stocks decline
<i>Authorized Gears for Recreational Fishing</i>		
G1	None	None
G2 - Preferred Alternative	None	None
<i>Deepwater and Other Sharks</i>		
H1	None	None
H2 - Preferred Alternative	None	None
<i>Prohibited Species</i>		
I1	None	None
I2	In the short-term, fishermen could land additional species and spend less time sorting catch in a haulback. In the long-term, none (should stocks decline).	In the short-term, none. In the long-term, should stocks decline additional management measures might be considered that would decrease revenues.
I3	None	Could result in additional sorting and one third fewer revenues in SCS fishery.
I4	In the short-term, minimal. In the long-term, none (should stocks decline).	In the short-term, none. In the long-term, dusky sharks might be listed under ESA. This could have significant impact on small entities.

<b>Alternative</b>	<b>Net Economic Benefits</b>	<b>Net Economic Costs</b>
I5	None	None
I6 - Preferred Alternative	Minimal	Minimal
<i>Bycatch Reduction Measures</i>		
J1	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	None
J2/J9	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal for the fishery as a whole, but significant for 6 vessel owners/small entities.
J3	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal for the fishery as a whole, but significant for 6 vessel owners/small entities.
J4 - Preferred Alternative	In the short-term, none. In the long-term minimal, if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	In the short-term, significant for small entities. In the long-term, minimal.
J5 - Preferred Alternative	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal
J6	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal
J7	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal

Alternative	Net Economic Benefits	Net Economic Costs
J8	Could be minimal if consumers perceive shark fishing vessels as conservation minded or if LCS stock improve.	Minimal
<i>Time and Area Closures</i>		
K1	None	None
K2 - Preferred Alternative	Minimal, with improvements in dusky and sandbar stock status.	In short-term, significant economic impact for small entities/vessels directly involved. In the long-term, economic impacts on small entities may be reduced with relocation to fish in areas outside the proposed time/area closure as well as improvements in dusky and sandbar status. Minimal impacts are anticipated for vessels fishing away from closure and for the whole fishery because quota will continue to be caught.
K3	Minimal, with improvements in shark stock status.	In short-term, significant economic impact for small entities/vessels directly involved. In the long-term, economic impacts on small entities may be reduced with improvements in shark status. Minimal impacts are anticipated for vessels fishing away from closure and for the whole fishery because quota will continue to be caught.
<i>EFH</i>		
L1	None	None
L2	None	None
L3	None	None
L4	None	None

<b>Alternative</b>	<b>Net Economic Benefits</b>	<b>Net Economic Costs</b>
<i>EFP</i>		
M1	None	None
M2 - Preferred Alternative	None	None



**References for Section 7.0**

No references cited.

**References for Section 7.1**

No references cited.

**References for Section 7.2**

No references cited.

**References for Section 7.3**

No references cited.

**References for Section 7.4**

No references cited.

**References for Section 7.5**

No references cited.

**References for Section 7.6**

No references cited.

