

## **10.0 REGULATORY IMPACT REVIEW (RIR)**

### ***10.1 Introduction***

The Regulatory Impact Review (RIR) provides an assessment of the costs and benefits of proposed actions and other alternatives in accordance with the guidelines established by Executive Order 12866. The regulatory philosophy of Executive Order 12866 stresses that in deciding whether and how to regulate, agencies should assess all costs and benefits of all regulatory alternatives and choose those approaches that maximize the net benefits to the society.

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

This RIR summarizes the effects of the proposed management plan and other alternatives considered in this amendment that has been developed to rebuild the scallop resource. The Amendment 10 document contains all the elements of the RIR/RFA, and the relevant sections are identified by reference to the document. The Initial Regulatory Flexibility Analysis, which evaluates the impacts of management alternatives on small businesses, is provided in Section 9.0.

### ***10.2 Summary of Regulatory Impacts***

- Section 8.7.3 evaluated the economic impacts of a broad-range alternatives for improving the yield from the scallop stock considered by the Council. Economic impacts of the rotational area management and non-rotational alternatives are summarized in Section 8.7.3.1. The impacts of these alternatives on fleet revenues for the first 10 years of the program are discussed in detail in Section 8.7.3.3. The impacts on producer and consumer surpluses, total benefits, and employment are discussed in Section 8.7.3.4. The long-term impacts are discussed further in Sections 8.7.3.5 and 8.7.3.6. The results included the variability of landings, revenues and benefits. Sources of uncertainty are identified in Section 8.7.3.7. The results of the long-term analyses show that the rotational management will have positive impacts on the scallop industry. Overall, all options that allow access to the Georges Bank areas increase fleet revenues, consumer and producer surpluses, and employment significantly.
- Section 8.7.4 analyzed the short-term economic impacts of alternatives considered by the Council, including rotation, area-access options, habitat closures, overfishing definitions, trip limits, and other measures. Although habitat closures will have negative impacts on scallop revenues and net national benefits to the nation (as measured by the total economic benefits comprising consumer and producer surpluses), the positive impacts of rotation and area access alternatives will offset these negative impacts. As a result, the total economic benefits relative to the no-action levels would be positive even when additional areas were closed under the various habitat alternatives. The combined economic impacts of various rotation, area access, and habitat alternatives are summarized in Section 8.7.4.6. The impacts on vessels are analyzed in Section 8.7.4.8. The economic impacts of the alternative overfishing definitions are compared in Section 8.7.4.7. Although, management by the alternative proposed overfishing definition would produce higher stock biomass and greater benefits in the long-term, but would reduce fleet revenues and total benefits in the short-term by allowing fewer DAS allocations. The final alternative selected by the Council, which requires 4-inch rings