

9.0 INITIAL REGULATORY FLEXIBILITY ANALYSIS (IRFA)

9.1 Introduction

The purpose of the Regulatory Flexibility Analysis (RFA) is to reduce the impacts of burdensome regulations and record-keeping requirements on small businesses. To achieve this goal, the RFA requires government agencies to describe and analyze the effects of regulations and possible alternatives on small business entities. Based on this information, the Regulatory Flexibility Analysis determines whether the proposed action would have a “significant economic impact on a substantial number of small entities.”

The main elements of the RFA are fully discussed in several sections of the Amendment 10 document, and the relevant sections are identified by reference to this document.

Problem Statement and Objectives

The purpose and need for management (statement of the problem) is described in Section 4.0 of the Amendment 10 document. The management objectives are enumerated in section 4.2 of this document.

Management Alternatives and Rationale

The proposed action is described in Section 5.1 of the amendment document. Alternatives to the proposed action are summarized in Section 5.3. Economic impacts are examined in Section 8.7.

9.2 Determination of Significant Economic Impact on a Substantial Number of Small Entities

9.2.1 Description of the small business entities

The RFA recognizes three kinds of small entities: small businesses, small organizations, and small governmental jurisdictions. It defines a small business in any fish-harvesting or hatchery business as a firm that is independently owned and operated and not dominant in its field of operation, with receipts of up to \$3.5 million annually. The vessels in the Atlantic sea scallop fishery could be considered small business entities because all of them grossed less than \$3 million according to the dealer’s data for the 2001 and 2002 fishing years (unreported NMFS data). Table 288 shows that annual scallop revenue averaged about \$615,000 to \$665,600 per full-time vessel, \$194,790 to \$209,750 per part-time vessel, and \$14,400 to \$42,500 per occasional vessel during the 2001 and 2002 fishing years. Total revenues per vessel, including revenues from species other than scallops, exceeded these amounts, but were less than \$3 million per vessel. Table 289 shows the revenues per full-time vessel by tonnage class.

The proposed regulations of Amendment 10 would affect vessels with limited access scallop and general category permits. Section 7.1 (Description of the Fishery) and Section 8.8 (Social Impacts) of the Amendment 10 document provide extensive information on the number, the port, the state, and the size of vessels and small businesses that will be affected by the proposed regulations. The information on the number and characteristics of vessels by the region of their principal port and permit category are also shown in Table 287. The current information on the number of scallop permits for the years 1994 to 2003 are provided in Table 286. According to the recent permit data, there were 278 vessels that obtained full-time limited access permits in 2003, including 32 small-dredge and 16 scallop trawl permits. In the