



Indiana Economic Development Corporation

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Steve Lucas  
Director  
Indiana Natural Resources Commission

Dear Mr. Lucas:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Department of Natural Resources ("DNR") and contained in LSA Document 08-413. The proposed rule amends 312 IAC 18-3-18 concerning the quarantine and regulation of the spread of the emerald ash borer. The DNR estimates that there are 1,260 small businesses that will be affected by the rule. These businesses include: nurseries/nursery dealers (834), arborists (22), campgrounds (82), primary and secondary sawmills (274), and logging companies (48).

Costs occurring as a result of the rule include the time spent to apply and meet the guidelines that are set by the compliance agreement approved by the DNR. Although the agreement will be created and processed by the DNR, it is estimated that each affected small business will incur a cost of 0.5 man days to complete the paperwork to initiate the compliance agreement.

Nurseries will need to ensure that they keep accurate records of the recipients of ash tree stock being sold within the quarantined townships, ensuring that the trees do not leave the quarantined township. There is no anticipated cost for the nurseries to maintain records of the sale of ash trees. Costs incurred by sawmills and logging companies involve managing the new recording and reporting requirements. It is estimated that these businesses will spend approximately 0.5 man days per month to comply with the requirements of the rule. Assuming that the average employee earns fifteen dollars (\$15) per hour, the DNR estimates that the annual reporting and record keeping costs to each small business would be \$720 per year. Arborists will also need to have compliance agreements in place and record exactly how and where ash materials are disposed of. Industry chippers under compliance agreements with DNR are responsible for keeping records for routine maintenance. The time required to complete the necessary paperwork is estimated to be less than six (6) man days per year. The DNR assumes that the average employee earns fifteen dollars (\$15) per hour, so the annual reporting and record keeping costs to each arborist would be \$720.00 per year. The costs incurred by campgrounds includes firewood management which includes training staff to ask campers if they brought firewood, exchanging firewood with campers if they brought firewood, and the collection and burning of firewood left at campsites. These administrative costs are not the result of the quarantine but the result of Emerald Ash Borer presence near their campground. Thus there is no anticipated record keeping or administrative cost for