



DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 168

[Docket No. USCG-2012-0975]

RIN 1625-AB96

Double Hull Tanker Escorts on the Waters of Prince William Sound, Alaska

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

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SUMMARY: The Coast Guard is finalizing the escort requirements for double hull tankers over 5,000 gross tons transporting oil in bulk on the waters of Prince William Sound, Alaska (PWS). This final rule mandates two tug escorts for these tankers. The Coast Guard previously published an interim rule on August 19, 2013. Section 711 of the Coast Guard Authorization Act of 2010 directed the Coast Guard to promulgate regulations as soon as practicable to ensure that tug escort requirements apply to these double hull tankers.

DATES: This final rule is effective **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, are part of docket USCG-2012-0975 and are available for inspection or copying at the Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also find this docket online by going to <http://www.regulations.gov> and following the instructions on that website.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or e-mail Mr. Kevin Tone, Office of Operating and Environmental Standards, Coast Guard; telephone 202-372-1441, e-mail [Kevin.P.Tone@uscg.mil](mailto:Kevin.P.Tone@uscg.mil). If you have questions on viewing or submitting material to the docket, call Ms. Cheryl Collins, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

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## I. Abbreviations

Act	Coast Guard Authorization Act of 2010
CFR	Code of Federal Regulations
DHS	Department of Homeland Security
E.O.	Executive Order
FR	<u>Federal Register</u>
GT	Gross tons
NPRM	Notice of proposed rulemaking
OPA 90	Oil Pollution Act of 1990 (Pub. L. 101-380, 104 Stat. 484)
PWS	Prince William Sound, Alaska
RFA	Regulatory Flexibility Act of 1980 (5 U.S.C. 601-612)
§	Section symbol
U.S.C.	United States Code

## II. Regulatory History

On August 19, 2013, we published an interim rule with request for comments entitled "Double Hull Tanker Escorts on the Waters of Prince William Sound, Alaska" in the Federal Register (78 FR 50335). We received one comment on the interim rule. No public meeting was requested, and none was held.

## III. Basis and Purpose

The basis of this rulemaking is section 711 of the Coast Guard Authorization Act of 2010 (Pub. L. 111-281) (Act). In section 711, Congress directed the Coast Guard to revise its regulations to require all double hull tankers over 5,000 gross tons (GT) transporting oil in bulk in Prince William Sound, Alaska (PWS) be escorted by at least two towing vessels or other vessels considered to be appropriate by the Secretary. This requirement is intended to increase the protection of the environment and the safety of vessels transiting PWS by reducing the risk of groundings, allisions, or collisions because escort vessels are readily available to assist a tanker in distress.

#### IV. Background

Section 4116(c) of the Oil Pollution Act of 1990 (Pub. L. 101-380, 104 Stat. 484) (OPA 90) required the two-vessel escort system for single hull tank vessels over 5,000 GT transporting oil in bulk in PWS. These regulations are found in 33 CFR part 168. OPA 90 also mandated the phase-out of single hull tank vessels by January 1, 2015, and required that newly built tank vessels be double hulled.

With the phase-out of the single hull tank vessels, there would have been no requirement for any tank vessel to have an escort. Section 711 of the Act extended the escort system requirement to double hull tank vessels over 5,000

GT transporting oil in bulk in PWS.

A double hull provides a tank vessel with added protection from an oil spill as a result of a hull breach due to a grounding, allision, or collision. In the double hull tanker, there is the outer hull—the watertight body of the ship—and a second inner hull a few feet inboard, which creates a second layer of watertight protection, to secure the cargo if the outer hull is breached. While double hull tank vessels provide greater protection from oil spills compared to single hull tank vessels, with section 711 of the Act Congress further increased the protection of the environment and the safety of vessels transiting PWS.

#### V. Discussion of Comments

The interim rule which published on August 19, 2013, had a 90-day comment period. We received several comments from one commenter. One of the comments was generally supportive of the rule. The other comments were outside the scope of this rulemaking.

#### VI. Discussion of the Rule

The purpose of the regulations in 33 CFR part 168, Escort Requirements for Certain Tankers, is to reduce the risk of oil spills from certain tankers over 5,000 GT by requiring that these tankers be escorted by at least two suitable escort vessels in applicable waters. The

applicable waters are defined in § 168.40 to include PWS.

The requirement for two escort vessels has contributed to a reduction in spill incidents because the escort vessels are immediately available to influence the tanker's speed and course in the event of a steering or propulsion equipment failure, thereby reducing the possibility of a grounding, allision, or collision. This rule finalizes the part 168 regulations now in effect, which extend the escort requirements to double hull tankers over 5,000 GT transporting oil in PWS. This rule codifies the established industry practice for escorting double hull tank vessels on transits in and out of PWS.

This rule finalizes, without change, revisions made by the interim rule to three sections of 33 CFR part 168. We finalize § 168.01 to make it clear that part 168 now addresses escort vessels for both double hull tankers and single hull tankers. We finalize a definition of the term double hull tanker in § 168.05. This rule also finalizes § 168.20, the applicability of part 168, to include double hull tankers over 5,000 GT transporting oil in bulk in PWS. All other sections of part 168, including the escort vessel performance and operational requirements in § 168.50, which includes prescribed transit speeds and other maneuvering parameters such as directional variances for escort

vessels, remain unchanged. With this final rule, the Coast Guard is finalizing the escort vessel requirements of section 711 of the Act.

## VII. Regulatory Analyses

We developed this final rule after considering numerous statutes and Executive Orders (E.O.s) related to this rulemaking. Below we summarize our analyses based on these statutes or E.O.s.

### A. Regulatory Planning and Review

Executive Orders 12866 ("Regulatory Planning and Review") and 13563 ("Improving Regulation and Regulatory Review") direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule is not a significant regulatory action under section 3(f) of E.O. 12866 as supplemented by E.O. 13563, and does not require an assessment of potential costs and benefits under section 6(a)(3) of E.O. 12866. The Office of Management and Budget has not reviewed it under E.O.

12866. Nonetheless, we developed an analysis of the costs and benefits of the rule to ascertain its probable impacts on industry. The final Regulatory Assessment follows:

We received no public comments, additional information, or data that would alter our assessment of the interim rule. Therefore, we adopt the Preliminary Regulatory Analysis for the interim rule as final. A summary of that analysis follows:

This rule finalizes the requirement for a two-vessel escort system for double hull tankers over 5,000 GT transporting oil in bulk in PWS, as mandated by section 711(b) of the Act.

Table 1 below summarizes the impacts of the final rule.

Table 1. Summary of Final Rule Impacts

Category	Summary
Population	<ul style="list-style-type: none"> <li>- 15 double hull tank vessels that transit PWS annually.</li> <li>- One company that owns the 12 escort vessels in PWS.</li> </ul>
Costs	None - codification of existing practice.
Unquantified Benefits	<ul style="list-style-type: none"> <li>- Elimination of confusion within industry by harmonizing CFR with U.S.C.</li> </ul>

	<p>- Codification of current industry practice ensures benefits of dual-vessel escort system in PWS remain, including reduction of the risk of an oil spill by influencing a vessel's speed and course in the event of equipment failure or loss of steering and/or propulsion.</p>
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Costs

OPA 90 requires the two-vessel escort system for single hull vessels over 5,000 GT transporting oil in bulk in PWS. However, single hull tankers are currently being phased out in favor of double hull tankers. Based on vessel traffic data from the Coast Guard Marine Safety Unit in Valdez, Alaska, no single hull vessels have called on PWS since 2009.

Based on communications with the Marine Safety Unit in Valdez, AK, as well as the Vessel Traffic Service and the Captain of the Port for that region, we determined that it has been an industry practice since 2008 that double hull tankers be escorted by a two-vessel escort system when in transit through PWS. Currently, 15 double hull tank vessels transit PWS annually and over the last 5 years, double hull tank vessels made an average of 250 port calls annually on PWS. One company operates the 12 tugs that participate in the two-tug escort system in PWS.

Because this final rule will codify an industry practice that has been in place for over 5 years, we do not anticipate that this final rule will impose additional costs on the public or industry, or alter industry behavior in any way. Finally, we do not anticipate that this final rule will impose new costs on the Coast Guard or require the Coast Guard to expend additional resources.

#### Description of Alternatives

We considered two alternatives (including the preferred alternative) in the development of this rule. The key factors that we evaluated in considering each alternative included: (1) the degree to which the alternative comported with the congressional mandate in section 711 of the Act; (2) what benefits, if any, would be derived, such as enhancement of personal and environmental safety and security; and (3) cost effectiveness. The alternatives considered are as follows:

Alternative 1: Revise 33 CFR part 168 to include double hull tankers over 5,000 GT transporting oil in bulk in PWS, but do not revise the existing performance-based escort requirements (preferred alternative). At present, the industry practice being employed on the waters of PWS is two tug escorts of both single and double hull tankers.

Implementation of this final rule will codify current industry practice.

Alternative 2: Take no action.

#### Analysis of Alternatives

We chose Alternative 1, which codifies current industry practice and implements section 711 of the Act as described in Section VI of the preamble above. We chose to reject Alternative 2, the "no action" alternative, because it would not implement section 711 of the Act.

#### Benefits

This final rule codifies the current industry practice of a dual vessel escort system in PWS. The primary benefit of the final rule is eliminating confusion within industry by harmonizing Coast Guard regulations with the congressional mandate in section 711 of the Act. The practice of a dual vessel escort system also results in safety and environmental benefits, although these benefits exist under current practice. However, codification of the industry practice ensures the continuing benefits of the dual vessel escort system, which is to reduce the risk of an oil spill by ensuring the safe transit of tank vessels over 5,000 GT transporting oil in bulk in PWS. For PWS, we believe a two-vessel escort system is beneficial in the event of equipment failure such as the loss of steering or

propulsion. If a tanker becomes disabled, the two escort vessels can influence the speed and course of the tanker, thereby reducing the likelihood of an allision, collision, or grounding. We reviewed allision, collision, and grounding casualty data for tank vessels in PWS over a 15-year period from 1998 through 2012 and found no casualty cases that involved a double hull tank vessel. All of these double hull vessels were escorted by a two-vessel escort.

#### B. Small Entities

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601-612, as amended, requires federal agencies to consider the potential impact of regulations on small entities during rulemaking. However, when an agency is not required to publish a notice of proposed rulemaking (NPRM) for a rule, the RFA does not require an agency to prepare a regulatory flexibility analysis. The Coast Guard was not required to publish an NPRM for this rule for the reasons stated in section III "Regulatory History" of the interim rule and therefore is not required to publish a regulatory flexibility analysis.

#### C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), we want

to assist small entities in understanding this rule so that they can better evaluate its effects on them. If the rule affects your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult Mr. Kevin Tone, CG-OES, Coast Guard; telephone 202-372-1441, email [Kevin.P.Tone@uscg.mil](mailto:Kevin.P.Tone@uscg.mil). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247).

#### D. Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

#### E. Federalism

A rule has implications for federalism under E.O. 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that Order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in E.O. 13132. Our analysis is explained below.

As noted earlier in the preamble, this rule implements section 711 of Pub. L. 111-281 for PWS. With respect to federalism, section 711(c) of Pub. L. 111-281 provides that nothing in the Act or any other provision of Federal law related to the regulation of maritime transportation of oil should be construed or interpreted as preempting the authority of the State, or a political subdivision thereof, from requiring escort vessels to accompany tankers transporting oil in bulk in PWS. This rule does not have any federalism implications as it has no effect on the laws or regulations of the State of Alaska. The rule has no preemptive effect because the rule implements the Congressional mandate. Furthermore, this statute preserves the authority of the State of Alaska to promulgate

additional requirements in PWS beyond that required by this rule. Therefore, this rule is consistent with the fundamental federalism principles and preemption requirements described in E.O. 13132.

F. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

G. Taking of Private Property

This rule will not cause a taking of private property or otherwise have taking implications under E.O. 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

H. Civil Justice Reform

This rule meets applicable standards in sections 3(a) and 3(b)(2) of E.O. 12988, Civil Justice Reform, to

minimize litigation, eliminate ambiguity, and reduce burden.

I. Protection of Children

We have analyzed this rule under E.O. 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not create an environmental risk to health or risk to safety that may disproportionately affect children.

J. Indian Tribal Governments

This rule does not have tribal implications under E.O. 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

K. Energy Effects

We have analyzed this rule under E.O. 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a "significant energy action" under that order because it is not a "significant regulatory action" under E.O. 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

#### L. Technical Standards

The National Technology Transfer and Advancement Act (15 U.S.C. 272 note) directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through the Office of Management and Budget, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

#### M. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.1D, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4370f), and have concluded that this action is one of a category of actions that do not individually or cumulatively have a significant effect on

the human environment. This rule is categorically excluded under section 6(b) of the "Appendix to National Environmental Policy Act: Coast Guard Procedures for Categorical Exclusions, Notice of Final Agency Policy," (67 FR 48244, July 23, 2002). This rule involves Congressionally-mandated regulations designed to protect the environment, specifically, regulations implementing the requirements of the Act. An environmental analysis checklist and a categorical exclusion determination are available in the docket where indicated under ADDRESSES.

List of Subjects in 33 CFR Part 168

Cargo vessels, Navigation (water), Oil pollution, Water pollution control.

For the reasons discussed in the preamble, the interim rule amending 33 CFR part 168 that was published at 78 FR 50335 on August 19, 2013, is adopted as a final rule without change.

Dated: June 9, 2014.

J. G. Lantz,  
Director of Commercial Regulations and Standards,  
U. S. Coast Guard.

[FR Doc. 2014-13809 Filed 06/12/2014 at 8:45 am;  
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