



DEPARTMENT OF HOMELAND SECURITY

Coast Guard

46 CFR Parts 2 and 8

[Docket No. USCG-2016-0880]

RIN 1625-AC35

Adding the Polar Ship Certificate to the List of SOLAS Certificates and Certificates Issued by Recognized Classification Societies

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

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**SUMMARY:** This proposed rule would add a new Polar Ship Certificate to the list of existing certificates required to be carried on board all U.S. and foreign-flagged vessels subject to the International Convention for Safety of Life at Sea (SOLAS) and operating in Arctic and Antarctic waters, generally above 60 degrees north latitude and below 60 degrees south latitude lines. Additionally, the Coast Guard proposes to add this certificate to the list of SOLAS certificates that recognized classification societies are authorized to issue on behalf of the Coast Guard. The proposed rule would apply to commercial cargo ships greater than 500 gross tons engaging in international voyages, and passenger ships carrying more than 12 passengers engaging in international voyages, when these ships operate within polar waters as defined by the Polar Code.

**DATES:** Comments and related material must be submitted to the online docket via <http://www.regulations.gov> by [INSERT DATE 30 DAYS AFTER DATE OF

PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments identified by docket number USCG-2016-0880 using the Federal eRulemaking Portal at <http://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the SUPPLEMENTARY INFORMATION section for further instructions on submitting comments.

*Collection of Information:* You must submit comments on the collection of information discussed in section V.D. of this preamble both to the Coast Guard’s docket and to the Office of Information and Regulatory Affairs (OIRA) in the White House Office of Management and Budget. OIRA submissions can use one of the listed methods:

- *E-mail* (preferred) – [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov) (include the docket number and “Attention: Desk Officer for Coast Guard, DHS” in the subject line of the e-mail);
- *Fax* – 202-395-6566; or
- *Mail* – Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street NW., Washington, DC 20503, ATTN: Desk Officer, U.S. Coast Guard.

FOR FURTHER INFORMATION CONTACT: For information about this document call or e-mail CDR Todd Howard, Systems Engineering Division (CG-ENG-3), Coast Guard; telephone 202-372-1375, e-mail [Todd.M.Howard@uscg.mil](mailto:Todd.M.Howard@uscg.mil).

SUPPLEMENTARY INFORMATION:

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#### I. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking, and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

We encourage you to submit comments through the Federal eRulemaking Portal at <http://www.regulations.gov>. If your material cannot be submitted using <http://www.regulations.gov>, contact the person in the FOR FURTHER INFORMATION CONTACT section of this document for alternate instructions. Documents mentioned in this notice and all public comments, are in our online docket at <http://www.regulations.gov> and can be viewed by following that website's instructions.

Additionally, if you go to the online docket and sign up for email alerts, you will be notified when comments are posted or a final rule is published.

We accept anonymous comments. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. For more about privacy and the docket, you may review a Privacy Act notice regarding the Federal Docket Management System in the March 24, 2005, issue of the *Federal Register* (70 FR 15086).

We are not planning to hold a public meeting but may do so if public comments indicate a meeting would be helpful. We would issue a separate *Federal Register* notice to announce the date, time, and location of that meeting.

## II. Abbreviations

BLS	Bureau of Labor Statistics
COI	Collection of Information
DHS	Department of Homeland Security
FR	<u>Federal Register</u>
IMO	International Maritime Organization
MARPOL	International Convention for the Prevention of Pollution from Ships, 1974
MEPC	Marine Environment Protection Committee
MOA	Memorandum of Agreement
MSC	Maritime Safety Committee
NAICS	North American Industry Classification System
OMB	Office of Management and Budget
Polar Code	International Code for Ships Operating in Polar Waters
RA	Regulatory Assessment
SBA	Small Business Administration
SOLAS	International Convention for the Safety of Life at Sea
STCW	International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers
§	Section Symbol
U.S.C.	United States Code

### III. Basis, Purpose, and Background

In 2014 and 2015, in resolutions MSC.384(94) and MEPC.264(68), respectively, the International Maritime Organization (IMO) adopted the safety and environmental provisions of the International Code for Ships Operating in Polar Waters (Polar Code). The Polar Code adds requirements to existing IMO Conventions – the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships (MARPOL), and the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) – in consideration of hazards and conditions unique to the polar waters, and an expected increase in traffic in Arctic and Antarctic waters. These additional hazards include navigation in ice and low temperatures, high latitude communications and navigation, remoteness from response resources, and limited hydrographic charting. The Polar Code enters into force on January 1, 2017.

One of the requirements for ships subject to the Polar Code is to carry a Polar Ship Certificate pursuant to SOLAS. The Polar Ship Certificate attests that the vessel has met applicable requirements of SOLAS to the satisfaction of the U.S. Government. As a signatory to SOLAS, the United States has a treaty obligation to ensure compliance with SOLAS requirements. This rulemaking creates a certificate that U.S. vessels subject to SOLAS will need in order to travel internationally within polar waters as defined by the Polar Code beginning January 1, 2017. Beginning on that date, U.S. vessels that are subject to the SOLAS Convention and elect to travel through the polar waters of States other than the United States will have to carry a Polar Ship Certificate or risk detention,

denial of entry, or expulsion from the polar waters of other States. This rulemaking is necessary to allow the Coast Guard to create the new Polar Ship Certificate and add it to the list of certificates in 46 CFR part 2, and to allow third-party organizations to issue it on the Coast Guard's behalf by adding the new Polar Ship Certificate to the list of certificates in 46 CFR part 8. Foreign flagged vessels, subject to SOLAS and operating in polar waters, must also carry the Polar Ship Certificate but the certificate will be issued by the vessel's class society or flag state. However, the Coast Guard will examine foreign flagged vessels during Port State Control boardings to ensure that they are properly certificated. The SOLAS requirement applies to commercial cargo ships greater than 500 gross tons engaging in international voyages, and passenger ships carrying more than 12 passengers engaging in international voyages, when these ships operate within polar waters as defined by the Polar Code.

The Coast Guard is authorized to regulate this subject matter under, among other authorities, Executive Order 12234, "Enforcement of the Convention for the Safety of Life at Sea," 45 FR 58801; 33 U.S.C. section 1231; 46 U.S.C. sections 2103, 3306, 3316, and 3703; and Department of Homeland Security Delegation No. 0170.1.

This rulemaking does not address the Polar Code requirements added to SOLAS other than the Polar Code Certificate. Furthermore, this rulemaking does not address the Polar Code requirements added to MARPOL or STCW. In order to begin issuing Polar Code certificates as soon as possible after January 1, 2017, the Coast Guard is implementing the Polar Code through several rulemakings. The first project, which is this rulemaking, only requires SOLAS vessels operating in polar waters to carry a Polar Ship Certificate. It contains the regulatory changes required for the issuance of the

certificates and reflects only the documentation costs for the certificates. Subsequent rulemakings will implement the design, engineering, and personnel standards found in the Polar Code. The incremental costs for industry to comply with these standards will be accounted for in the regulatory analyses for those rulemakings.

#### IV. Discussion of Proposed Rule

This proposed rule would amend 46 CFR 2.01-6(a)(1), and 2.01-25 (a)(1) and (a)(2), to include the Polar Ship Certificate in the list of International Convention Certificates to be issued by the Officer in Charge of Marine Inspection and carried on certain passenger, cargo, and tankships engaged in international voyages. This proposed requirement would apply to commercial cargo ships greater than 500 gross tons and passenger ships carrying more than 12 passengers that engage in international voyages within polar waters as defined by the Polar Code.

This proposed rule would also amend 46 CFR 8.320(b) to include the Polar Ship Certificate in the list of International Convention Certificates that could be issued by recognized classification societies. Both the Coast Guard and classification societies would have the ability to issue these certificates.

By adding this certificate to the Code of Federal Regulations, we enable marine inspectors to ensure compliance with the SOLAS requirement to carry a Polar Ship Certificate, which fulfills the United States' treaty obligations with regard to the certification. Additionally, without this certificate, the U.S.-flagged vessels sailing on international routes would be subject to deficiencies, detentions, denial of entry or expulsion from the polar waters of other port States due to lack of proper certificates.

#### V. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on these statutes or Executive orders.

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 rule has not been designated a “significant regulatory action,” under section 3(f) of Executive Order 12866. Accordingly, the rule has not been reviewed by the Office of Management and Budget.

This proposed rule would add a new Polar Ship Certificate to the list of existing SOLAS certificates required to be carried onboard all U.S. and foreign-flagged vessels above 500 GT ITC, (the International Convention on Tonnage Measurement of Ships 1969 or gross tonnage assigned under this system) or passenger ships carrying more than 12 passengers on international routes operating in polar waters, generally above 60 degrees north latitude and below 60 degrees south latitude lines. The IMO adopted the Polar Code in 2014 and 2015 to acknowledge that polar waters impose additional operating demands and risks.<sup>1</sup> Since the United States is signatory to the SOLAS

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<sup>1</sup> <http://www.imo.org/en/MediaCentre/HotTopics/polar/Documents/POLAR%20CODE%20TEXT%20AS%20ADOPTED.pdf>

convention, the United States has an obligation to ensure that all U.S.-flagged vessels subject to SOLAS that transit in polar waters carry a Polar Ship Certificate. Owners and operators of all foreign-flagged vessels subject to SOLAS would have their Polar Ship Certificates issued by the appropriate flag state.

This proposed rule would amend 46 CFR part 2, “Vessel Inspections”, Subpart 2.01, “Inspecting and Certificating of Vessels” including Section 2.01-25, “International Convention for Safety of Life at Sea” to include the new Polar Ship Certificate. The proposed rule would also amend 46 CFR part 8, “Vessel Inspection Alternatives”, Subpart C, “International Convention Certificate Issuance”, Section 8.320, “Classification Society Authorization to Issue International Certificates”, at paragraph (b) to include the Polar Ship Certificate as one of the certificates that can be issued by a recognized classification society on behalf of the Coast Guard.

### **Affected Population**

Based on Coast Guard field data and Coast Guard databases such as the Marine Information for Safety and Law Enforcement (MISLE) database, the Coast Guard’s Ship Arrival Notification System (SANS), and data from the Coast Guard’s Navigation Data Center (NDC), we estimate the total number of U.S. vessels this proposed rule would affect to be about 41 total vessels. This is the number of U.S. vessels that have transited internationally in polar waters, which are generally above and below the 60 degree north and 60 degree south latitudes lines, respectively, over the past 5 years and have made port calls in Alaskan ports over this time period. Of the 41 U.S. vessels that have transited polar waters during the 5-year period, some entered polar waters in the first year and not the following year, but returned in subsequent years. The opposite is also true; some

vessels that did not transit polar waters in the first year of the data period did so in the following years of the data period.

Recognized classification societies that have been granted delegated authority from the Coast Guard would issue the Polar Ship Certificate, an international convention certificate, on behalf of the Coast Guard for U.S.-flagged vessels that are classed under the authority in 46 CFR 8.320(a). Although multiple classification societies could request authorization to issue the Polar Ship Certificate on behalf of the Coast Guard, for the purpose of this analysis, the Coast Guard assumes one classification society would issue the Polar Ship Certificate to vessel owners and operators on behalf of the Coast Guard for vessels that are classed.

### **Cost Analysis**

#### **Classification Societies Cost**

This proposed rule would amend 46 CFR 8.320(b) to enable recognized class societies to request authorization to issue the Polar Ship Certificate on behalf of the Coast Guard. For vessels that are not classed, the Coast Guard would issue the Polar Ship Certificate.

There are two cost elements associated with a classification society issuing a Polar Ship Certificate: The cost to review and return a signed copy of the Memorandum of Agreement (MOA) between the recognized classification society and the Coast Guard, and the cost to create the certificate once the MOA is approved by each party. As stated in 46 CFR 8.320(c), the Coast Guard will enter into an agreement with the classification society to issue international convention certificates such as the Polar Ship Certificate. The MOA essentially represents a delegation letter and is a standard document that

allows a recognized classification society to issue the Polar Ship Certificate on behalf of the Coast Guard.

Based on Coast Guard data from the Office of Design and Engineering Standards, we estimate it would take a recognized classification society 1 hour to review the MOA. A classification and documentation specialist would review the MOA and because there is no equivalent labor category in the Bureau of Labor Statistics' (BLS) Occupational Employment Statistics National Industry-Specific Occupational Employment and Wage Estimates for May 2015, we used the "Business Operations Specialist, All Other" (Occupation Code 13-1199) category for Deep Sea, Coastal, and Great Lakes Water Transportation with a North American Industry Classification Code of 483100 as a representative occupation. The mean hourly wage rate for this occupation is \$38.63. Since this is an unloaded hourly wage rate, we added a load factor to obtain a loaded hourly wage rate. We used BLS' 2015 Employer Cost for Employee Compensation databases to calculate and apply a load factor of 1.53 to obtain a loaded hourly labor rate of about \$59.10 for this occupation.<sup>2</sup> We also estimate it would take a recognized classification society attorney 1 hour to review the MOA for legal sufficiency. Using the Bureau of Labor Statistics' (BLS) Occupational Employment Statistics National Industry-Specific Occupational Employment and Wage Estimates for May 2015, we used the category "Lawyers" (Occupation Code 23-1011) for Deep Sea, Coastal, and Great Lakes Water Transportation with a North American Industry Classification Code of

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<sup>2</sup> Information can be viewed at, [http://www.bls.gov/oes/current/naics4\\_483100.htm](http://www.bls.gov/oes/current/naics4_483100.htm). A loaded labor rate is what a company pays per hour to employ a person, not the hourly wage. The loaded labor rate includes the cost of benefits (health insurance, vacation, etc.). The load factor for wages is calculated by dividing total compensation by wages and salaries. For this analysis, we used BLS' Employer Cost for Employee Compensation/Transportation and Materials Moving Occupations, Private Industry Report (Series IDs, CMU2010000520000D and CMU2020000520000D for all workers using the multi-screen data search). Using 2015 Q4 data for the cost of compensation and cost per hour worked, we divide the total compensation amount of \$27.46 by the wage and salary amount of \$17.91 to obtain the load factor of about 1.53, rounded. See the following website, <http://data.bls.gov/cgi-bin/dsrv>. Multiplying 1.53 by \$38.63, we obtain a loaded hourly wage rate of about \$59.10.

483100. The mean hourly wage for this occupation is \$65.51. Since this is an unloaded hourly wage rate, we apply the same load factor of 1.53 as derived above to obtain a loaded hourly wage rate of about \$100.23.

We estimate the one-time cost of the proposed rule to the classification society to review the MOA to be about \$162.33, undiscounted, which includes a \$3 postage cost to mail the signed MOA to the Coast Guard for approval and signature [(\$59.10 x 1 hour) + (\$100.23 x 1 hour) + \$3 for postage].

Based on a recognized classification society estimate, it would take approximately 40 hours to create the Polar Ship Certificate once the MOA is approved. As with the MOA, a classification and documentation specialist would create the certificate. We again used the “Business Operations Specialist, All Other” as a representative occupation. We estimate the one-time labor cost for a documentation specialist to create the certificate to be about \$2,364.00 (40 hours<sup>3</sup> x \$59.10/hour), undiscounted. Since the certificate is presented to a vessel owner or operator during the normal course of a vessel survey, we did not estimate a cost for this action.

We estimate the total undiscounted cost of the proposed rule to a recognized classification society to be about \$2,526.33 (\$2,364 document development cost + \$162.33 MOA review cost).

### **Vessel Cost**

There are two cost elements associated with vessel owners and operators: The fee a recognized classification society would charge a vessel owner or operator for issuing the certificate for U.S. classed vessels only, and the cost associated with a crewmember

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<sup>3</sup> Based on estimate provided by a recognized class society to USCG.

posting the certificate onboard a vessel. Based on Coast Guard vessel data, approximately 20 percent, or 8 out of the 41 U.S.-flagged vessels, are not classed by a recognized classification society.

The entry into force date for the Polar Code is Jan 1, 2017 but the requirement for ships is to have the certificate by their first renewal or intermediate exam after the entry into force date. This is a phased in approach that will likely spread out the issuing of the certificates over a period of about 3 years. Therefore, the Coast Guard would issue the Polar Ship Certificate to those vessel owners and operators as part of its routine inspection regime. A recognized classification society would issue the Polar Ship Certificate to the remaining 33 vessel owners and operators in the first, second, third, sixth, seventh, and eighth year of the analysis period.

The Polar Ship Certificate is valid for a 5-year period and, after this time, the recognized classification society and the Coast Guard would issue a new Polar Ship Certificate to vessel owners and operators, depending upon whether a vessel is classed or not classed. The cost of the reissued Polar Ship Certificate is \$100 if a recognized classification society issues the certificate (for 33 classed U.S. vessels); therefore, it would cost each U.S. classed vessel owner and operator \$100 after 5 years to renew the certificate, or in the sixth, seventh, and eighth year of the analysis period. We assume a 3-year phase-in period for owners and operators to obtain the certificates. For the purpose of this analysis, we assume 13 U.S. vessels owners and operators (11 classed and 2 unclassified) would obtain a certificate in the first year and 14 (11 classed and 3 unclassified) U.S. vessel owners and operators would obtain one in the second year and third year. For reissuance, we again assume the same 13 vessel owners and operators

would obtain a certificate in the sixth year and the same 14 vessel owners and operators would obtain one in the seventh and eighth year each; we divided the population accordingly to obtain even values.

Vessel owners and operators would be required to post the certificate in a conspicuous area onboard the vessel with other applicable operating certificates. Based on the Office of Management and Budget's (OMB) approved collection of information (COI) entitled "Various International Agreement Safety Certificates," OMB control number 1625-0017, a crewmember onboard a vessel equivalent to a U.S. Coast Guard cadet would post the Polar Ship Certificate. Using the Coast Guard's Commandant Instruction 7310.1P for loaded hourly wages outside of the Government, the hourly wage rate of a person outside of the Government equivalent to a cadet is \$26.00. We estimate it takes a crewmember about 6 minutes, or 0.1 hours, to post the Polar Ship Certificate at a labor cost of about \$2.60 per vessel ( $\$26.00 \times 0.1$  hours). To post the Polar Ship Certificate, we estimate the total initial cost of the proposed rule to 13 U.S. vessel owners and operators to be about \$33.80 (13 U.S. classed and unclassified vessels  $\times$  0.1 hours  $\times$  \$26.00); regardless of whether the Polar Ship Certificate is issued by a recognized classification society, or by the Coast Guard. Owners and operators of U.S. vessels would incur this cost again in the sixth year because a crewmember would review and post the reissued certificate for the same 13 vessels.

We estimate the initial cost of the proposed rule to vessel owners and operators to be about \$1,133.80 in the first year (11 classed vessels  $\times$  \$100) + (11 classed vessels  $\times$  \$2.60 to post the certificate) + two unclassified vessels  $\times$  \$2.60 to post the certificate). Because vessel owners and operators would be required to carry the Polar Ship

Certificate beginning January 2017, the cost for the renewed certificate in the sixth year (or 5 years after the initial year) would again be \$1,133.80 for these 13 vessels. In the second and third and seventh and eighth year, we estimate the cost for 14 U.S. vessel owners and operators to obtain and post a Polar Ship Certificate to be about \$1,136.40 [(11 classed vessels x \$100) + (11 classed vessels x \$2.60 to post the certificate) + three unclassified vessels in each of these years x \$2.60 each year to post the certificate]. See Table 1 below.

**Table 1. Summary of Classification Society and Vessel Owners and Operators Costs (Undiscounted)**

Cost Item	Unit Cost	Labor Rate	Hours	Total Cost
Classification Society Certificate Creation	-	\$59.10	40	\$2,364 (incurred in year one)
Classification Society Review of MOA	-	\$100.23 (Attorney)	1	\$162.33 (incurred in year one and includes \$3 postage)
		\$59.10 (Business Operations Specialist)	1	
Certificate Fee Charged to Vessel Owners and Operators	\$100	-	-	\$1,100 (incurred in years one to three and six to eight); \$3,300 for 33 classed vessels in years one to three and six to eight
Vessel Crewmember Reviews and Posts Certificate	-	\$26	0.1	\$2.60 (incurred in year one to three and six to eight); \$33.80 in year one and six and \$36.40 in years two and three; seven and eight
Total Undiscounted Cost (Initial year)	-	-	-	\$3,660.13

We estimate the total 10-year undiscounted cost to be \$6,813.20 for all 41 U.S. vessel owners and operators (\$1,133.80 in the first and sixth year + \$1,136.40 in the

second, third, seventh and eighth years of the analysis period). See Table 2 below.

We estimate the initial undiscounted cost of the proposed rule to a recognized classification society and to 13 (11 classed and 2 unclassified vessels) U.S. vessel owners and operators to be about \$3,660.13 (\$2,364 for the classification society to create the certificate + \$162.33 for the classification society to review the MOA + \$1,100 fee charged by a classification society to issue the certificate to the 11 classed vessel owners and operators + \$33.80 for crewmembers of the 13 classed and unclassified vessels to post the certificate). We estimate the total 10-year undiscounted cost of the proposed rule to industry to be about \$9,339.53 (\$3,660.13 in the first year + \$1,136.40 in the second, third, seventh, and eighth years + \$1,133.80 in the sixth year). See Table 2 below.

We estimate the 10-year present value, or discounted cost of the proposed rule to industry to be between \$7,465.49 and \$8,435.28 at 7 and 3 percent discount rates, respectively. We estimate the annualized cost to be between \$1,062.92 and \$988.87 at 7 and 3 percent discount rates, respectively. See Table 2 below.

**Table 2. Total Costs of the Proposed Rule to Industry (10-year Period of Analysis, 7 and 3 Percent Discount Rates, 2016 Dollars)**

Period	Cost (undiscounted)	7%	3%
1	\$3,660.13	\$3,420.68	\$3,553.52
2	\$1,136.40	\$992.58	\$1,071.17
3	\$1,136.40	\$927.64	\$1,039.97
4	-	-	-
5	-	-	-
6	\$1,133.80	\$755.50	\$949.54
7	\$1,136.40	\$707.69	\$924.00
8	\$1,136.40	\$661.40	\$897.08
9	-	-	-
10	-	-	-
Total	\$9339.53	\$7,465.49	\$8,435.28
Annualized	-	\$1,062.92	\$988.87

Note: Totals may not sum due to independent rounding.

### Government Costs

There are 3 cost elements associated with this proposed rule for the Coast Guard:

a one-time cost of creating the certificate and issuing (in the initial year, second, third, sixth, seventh, and eighth year) the Polar Ship Certificate to a vessel owner or operator if a vessel is not classed by a class society, reviewing the certificate onboard a vessel as part of the Coast Guard's routine inspection regime, and a one-time cost of creating and sending the delegation letter or MOA to a classification society for signature.

For the eight U.S. vessels that are not classed by a recognized classification society, the Coast Guard would issue the Polar Ship Certificate in the first through the third year and the sixth through the eighth year. Because of the phase-in period, we divided the eight vessels evenly over three years to arrive at two in the first and sixth year and three in the second, third, seventh, and eighth year, with the sixth, seventh, and eighth year being the years when the certificate is reissued.

Based on information from personnel in the Coast Guard's Office of Vessel Compliance, we estimate it takes Coast Guard personnel with the average equivalence of a GS-15 about 40 hours to create and review a Polar Ship Certificate at an average loaded hourly wage rate of \$109 using the Coast Guard's Commandant Instruction 7310.1P. We estimate the one-time cost for the Coast Guard to create the Polar Ship Certificate to be about \$4,360 (40 hours x \$109/hour), for the eight U.S. vessels without a classification.

Based on an OMB-approved COI (Control Number 1625-0017), we estimate it takes a Coast Guard Officer, the Officer in Charge Marine Inspection (OCMI), or more specifically, a Lieutenant with the rank of an O-3, about 30 minutes, or 0.5 hours per vessel, to review the Polar Ship Certificate for validity and correctness (the Coast Guard issues and reviews the certificate at the same time during its normal inspection regime). Using the Coast Guard's Commandant Instruction 7310.1P for loaded hourly wages, an

O-3 has a loaded hourly wage rate of \$78.00. Therefore, we estimate the total undiscounted cost to the Government to review the Polar Ship Certificate for all 41 affected vessels to be about \$1,599.00 ( $\$78.00 \times 41 \text{ vessels} \times 0.5 \text{ hours}$ ), or about \$39.00 per vessel. We use the same methodology as above with owners and operators obtaining certificates over a three-year period (13 in the first and sixth year and 14 in the second, third, seventh and eighth year), with the sixth, seventh and eighth year being the renewal years. Again, 13 inspections (11 classed and 2 unclassified) would take place in the first and sixth year, and 14 (11 classed and 3 unclassified) in second, third, seventh, and eighth year. Therefore, the first year cost to the Government to review the certificate would be about \$507.00 (11 classed and 2 unclassified vessels  $\times$  \$39.00). The Government would incur this cost again in the sixth year when the certificate is reissued. In years two, three, seven, and eight, the Government would incur a certificate review cost of about \$546.00 (11 classed and 3 unclassified vessels  $\times$  \$39.00) in each of these years.

The Coast Guard would also examine the certificates of foreign-flagged vessels that enter U.S. ports in polar waters as part of its routine Port State Control vessel boardings. Because this will take place during routine Coast Guard examinations and for issuing certificates of compliance, the time it takes to perform this task is minimal and as such we do not estimate a cost to the Government.

Because this proposed rule would also enable a recognized classification society to issue the Polar Ship Certificate on behalf of the Coast Guard, the Coast Guard and a recognized classification society would enter into an MOA which delegates authority to the classification society and sets forth guidelines for cooperation between the Coast Guard and a classification society with respect to initial and subsequent inspections for

certifications and periodic re-inspections or examinations of vessels of the United States, as defined by 46 U.S.C. section 2101 (46).

Based on information from the Coast Guard’s Office of Design and Engineering Standards, Coast Guard personnel with the average equivalence of a GS-15 would prepare the MOA for delivery to a classification society. Again, we used an average loaded hourly labor rate of \$109 for a GS-15. We estimate it would take Government personnel about 6.25 hours to prepare and review the MOA. We estimate it would cost about \$3 in postage for the Government to send the MOA to the classification society.

We estimate the total cost incurred by the Government for the MOA to be about \$681.25 plus \$3 for postage, or a total cost of \$684.25, undiscounted (6.25 hours x \$109). Other than the postage cost, other costs incurred are opportunity costs, since personnel would perform this function in the normal course of his or her duties.

We estimate the total initial cost to the Government to be about \$5,551.25 (\$4,360 to create and review the certificate, \$507.00 to review the certificates for 11 classed and 2 unclassified U.S. vessels, and \$684.25 for the MOA). We estimate the total 10-year undiscounted cost to the Government to be about \$8,242.25 (\$5,551.25 in the initial year + \$546.00 in the second, third, seventh and eighth years + \$507.00 in the sixth year). We estimate the 10-year present value, or discounted cost of the proposed rule to the Government, to be between \$7,106.31 and \$7,703.46, using 7 and 3 percent discount rates, respectively. We estimate the annualized cost to be between \$1,011.78 and \$903.08, using 7 and 3 percent discount rates, respectively. See Table 3 below.

**Table 3. Total Costs of the Proposed Rule to the Government (10-year Period of Analysis, 7 and 3 Percent Discount Rates, 2016 Dollars)**

Period	Cost (undiscounted)	7%	3%
1		\$5,188.08	\$5,389.56
2		\$476.90	\$514.66

3		\$445.70	\$499.67
4		-	-
5		-	-
6		\$337.84	\$424.60
7		\$340.02	\$443.95
8		\$317.78	\$431.02
9		-	-
10		-	-
Total	\$8,242.25	\$7,106.31	\$7,703.46
Annualized	-	\$1,011.78	\$903.08

Note: Totals may not sum due to independent rounding.

### **Total Cost of the Proposed Rule to Industry and Government**

We estimate the total 10-year combined undiscounted cost of the proposed rule to industry and the Government to be about \$17,582. We estimate the 10-year present value, or discounted cost of the proposed rule to industry and the Government, to be between \$14,572 and \$16,139 at 7 and 3 percent discount rates, respectively. We estimate the annualized cost to be between \$2,075 and \$1,892 using the same discount rates. See Table 4 below.

**Table 4. Summary of Costs of the Proposed Rule to Industry and Government (10-year Period of Analysis, 2016 Dollars)**

<b>Type of Cost</b>	<b>Industry</b>	<b>Government</b>	<b>Total Cost</b>	<b>Annualized</b>
<b>Undiscounted</b>	\$9,339.53	\$8,242.25	\$17,581.78	-
<b>7%</b>	\$7,465.49	\$7,106.31	\$14,571.80	\$2,074.70
<b>3%</b>	\$8,435.28	\$7,703.46	\$16,138.74	\$1,891.95

### **Benefits**

The primary benefit of this proposed rule is to ensure that vessel owners and operators have a valid Polar Ship Certificate onboard the vessel, which shows compliance

with applicable SOLAS regulations and requirements. Without a Polar Ship Certificate, a vessel would be subject to deficiencies, detention, denial of entry, or expulsion from the polar waters of other port States. Adherence to SOLAS would ensure vessels are capable of operating in polar waters, and the hazards and adverse weather conditions unique to polar waters. Furthermore, since the United States is a signatory to SOLAS and has a treaty obligation to ensure compliance with SOLAS requirements, this rulemaking would ensure that the United States is compliant with this SOLAS requirement.

### **Alternatives**

When creating this proposed rule, the Coast Guard considered several alternatives. The previous analysis represents the preferred alternative, which would ensure U.S. vessel owners and operators that operate vessels in polar waters would be compliant with the IMO Polar Code and SOLAS Convention. With the carriage of the Polar Ship Certificate onboard vessels, U.S. vessel owners and operators would be compliant with the SOLAS convention and applicable SOLAS operating requirements when transiting in polar waters.

#### **Alternative 1: Preferred Alternative**

The analysis for this alternative appears in the “Regulatory Analysis” section of the preamble of this proposed rule.

#### **Alternative 2: No Action Alternative**

In this alternative, the United States would take no action regarding the issuance of a Polar Ship Certificate and none of the costs itemized in the preferred alternative would be incurred. However, with this alternative, the United States would not be compliant with its international legal obligations as a signatory Government to the

SOLAS Convention. Additionally, the lack of appropriate certifications would likely negatively impact U.S.-flagged vessels on international voyages in polar waters of other port States. United States vessels would potentially be subject to deficiencies, detentions, denial of entry, or expulsion from the polar waters of other port states due to the lack of proper certificates.

Because the United States would not meet its international treaty obligations in this alternative, the Coast Guard rejects this alternative.

### **Alternative 3: Large Scale Regulatory Implementation of the Polar Code**

In this alternative, the Coast Guard would implement the entire Polar Code in one regulatory effort. This would create or modify regulations throughout 46 and 33 CFR. The affected vessels, operators, and the Government would also incur the costs and impacts of the implementation of the entire Polar Code from a single regulatory effort.

The Coast Guard rejected this alternative because it would greatly delay the issuance of the certificate beyond the January 1, 2017 effective date of the Polar Code.

By moving forward with the proposed alternative, U.S. vessel owners and operators who obtain a Polar Ship Certificate would be in compliance with the operating requirements in the SOLAS Convention. Therefore, they would be permitted to transit in polar waters of foreign nations as soon as possible after January 1, 2017, without adverse consequences such as denial of entry, expulsion, or possibly detainment.

### **B. Small Entities**

Under the Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612, we have considered whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small

businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Coast Guard prepared this threshold analysis that examines the impacts of the proposed rule on small entities.

Based on our analysis of the entities affected by this proposed rule, all of the 41 affected U.S.-flagged vessels are owned by U.S. entities. To determine which entities are small, we compiled the data used in this analysis from publicly available and proprietary sources such as Manta and Cortera, and from the affected entities' websites. We used available owner's business information to identify the entities' primary line of business as coded by the North American Industry Classification System (NAICS) to find employee and revenue size information. We used this information to determine whether we should consider a business "small" by comparing it to the Small Business Administration's (SBA) "Table of Small Business Size Standards Matched to North American Industry Classification System Codes." In some cases, SBA classifies businesses on a standard either based on the number of employees or annual revenues.<sup>4</sup> We found that no small government jurisdictions or non-profits own any of the U.S. vessels affected by this proposed rule.

We found that 19 of the 41 (46 percent) affected companies are small entities and the remaining companies are not small, based on SBA's size standards. We found 11 different NAICS codes represent the 19 small entities with the NAICS code 488330, "Navigational Services to Shipping", representing 8 of the 19 small entities or 42 percent

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<sup>4</sup> Readers can access small entity information online at <http://www.sba.gov/size/indehtableofsize.html>.

of them.

We estimate the initial cost to each classed vessel owner and operator to be about \$102.60 [ $\$1,100/11$  classed U.S vessel owners and operators that have their vessels classed by a class society +  $\$28.60$  ( $11$  classed vessels x  $\$2.60$ )/ $11$  (cost for crewmembers of  $11$  classed U.S. vessel owners and operators to post the certificate divided by the number of U.S. classed vessel owners and operators. Again, in the sixth year, these  $11$  classed U.S. vessel owners and operators would incur this cost)]. In the second, third, seventh, and eighth year,  $11$  classed vessel U.S. vessel owners and operators would incur this same cost. The eight U.S. vessel owners who own vessels that are not classed would only incur a cost of  $\$2.60$  per vessel in the each of the years described above or the first (two vessels) through the third year (three vessels in the second and third year each) and sixth (the same two vessels as in the first year) through the eighth year (the same three vessels as in the second and third year in the seventh and eighth year each) of the analysis period.

Of the  $19$  small entities,  $16$  had annual revenue information (the remaining three small entities only had employee information). Of the  $16$ ,  $12$  are classed, which means four ( $12/3$  years for the phase-in period) would incur the  $\$102.60$  in the initial year and again in the second and third year and for reissuance of the certificate again in the sixth, seventh, and eighth year of the analysis period. The four that are not classed would only incur the cost of posting the certificate of  $\$2.60$  in each year described above (or essentially one in the first year and second year and again in the sixth and seventh year when the certificate is reissued and two in the third year and again in the eighth year when the certificate is reissued). All  $16$  small entities or  $100$  percent would have an

annual revenue impact of less than 1 percent in the initial year and in the second, third, sixth, seventh, and eighth year of the analysis period. Thus, the estimated impact on the affected entities is not a significant economic impact.

Based on the preceding analysis, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities. If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment to the Docket Management Facility at the address under ADDRESSES. In your comment, explain why you think it qualifies and how and to what degree this proposed rule would economically affect it.

#### C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104-121, we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult CDR Todd Howard using the contact information given in the FOR FURTHER INFORMATION CONTACT section of this proposed rule. 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

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) requires that the Coast Guard consider the impact of paperwork and other information collection burdens imposed on the public. According to the 1995 amendments to the Paperwork Reduction Act, an agency may not collect or sponsor the collection of information, nor may it impose an information collection requirement unless it displays a currently valid OMB control number.

This action contains proposed amendments to the existing information collection requirements previously approved under OMB Control Number 1625-0017.

As defined in 5 CFR 1320.3(c), "collection of information" comprises reporting, recordkeeping, monitoring, posting, labeling, and other similar actions. The title and description of the information collections, a description of those who must collect the information, and an estimate of the total annual burden follow. The estimate covers the time for reviewing instructions, searching existing sources of data, gathering and maintaining the data needed, and completing and reviewing the collection.

The summary of revised 1625-0017 collection follows:

TITLE: Various International Agreement Safety Certificates.

OMB CONTROL NUMBER: 1625-0017.

SUMMARY OF THE COLLECTION OF INFORMATION: The International Convention for the Safety of Life at Sea (SOLAS) is a product of the International

Maritime Organization (IMO), an agency of the United Nations. SOLAS applies to all mechanically propelled cargo and tank vessels of 500 or more gross tons (GT), and to all mechanically propelled passenger vessels carrying more than 12 passengers that engage in international voyages. By IMO's definition, an "international voyage" means a voyage from a country to which the Convention applies to a port outside the country, or vice versa. The United States, represented by the U.S. Coast Guard, was a major contributor and proponent of the 1974 Convention (SOLAS 74). President Carter's Executive Order 12234 (September 3, 1980), noted that SOLAS 74 was signed at London on November 1, 1974, proclaimed by the President of the United States on January 28, 1980, and entered into force for the United States on May 25, 1980.

SOLAS 1974 currently requires one or more of the following certificates to be carried on onboard certain passenger and cargo ships engaged in international voyages (46 CFR 2.01-25):

- 1) Passenger Ship Safety Certificate and Record.
- 2) Cargo Ship Safety Construction Certificate.
- 3) Cargo Ship Safety Equipment Certificate and Record.
- 4) Cargo Ship Safety Radio Certificate (issued by Federal Communications Commission (FCC)).
- 5) Nuclear Passenger Ship Safety Certificate.
- 6) Nuclear Cargo Ship Safety Certificate.
- 7) Safety Management Certificate.
- 8) International Ship Security Certificate
- 9) High-Speed Craft Safety Certificate

The Coast Guard is adding the Polar Ship Certificate to the list of certificates that it can issue.

NEED FOR INFORMATION: In June of 2015, in resolutions MSC.384(94) and MEPC.264(68), the International Maritime Organization (IMO) adopted the International Code for Ships Operating in Polar Waters (Polar Code). The Polar Code raises the safety

standards for commercial ships operating in or transiting through Arctic and Antarctic waters as well as enhances environmental protection for polar waters that include coastal communities in the U.S. Arctic. As a signatory to the International Convention for the Safety of Life at Sea (SOLAS), the United States has a treaty obligation to ensure compliance with SOLAS requirements.

All mechanically propelled passenger vessels carrying more than 12 passengers that engage in international voyages and all mechanically propelled cargo vessels of more than 500 gross tons that engage in international voyages within polar waters as defined by the Polar Code would be required to have the Polar Ship Certificate. The Polar Ship Certificate is valid for 5 years.

The purpose of this rulemaking is to ensure that marine inspectors could issue certificates required by the Polar Code and that these certificates are being carried on all applicable vessels. Additionally, this rulemaking will add the Polar Ship Certificate to the list of certificates that classification societies could issue on behalf of the Coast Guard-in consideration of hazards and conditions unique to polar waters and a potential increase in traffic in Arctic and Antarctic waters. These additional hazards include navigation in ice and low temperatures, high latitude communications and navigation, remoteness from response resources, and limited hydrographic charting.

We calculate the hour burden on an annual basis, which takes into account the reissuance of the certificate every fifth year. The estimated burden is 1/10 of an hour or 6 minutes. About 8 vessels (41 total vessels/5 years) annually equates to 48 minutes or 0.8 hours for the hour burden. Or equivalently, 13 classed and unclassified U.S. vessels (11 classed and 2 unclassified) x 6 minutes in the first and sixth years + 14 classed unclassified

U.S vessels (11 classed and 3 unclassified) x 6 minutes in the second, third, seventh and eighth year for a total of 492 minutes divided by 82 vessels (13 in the first and sixth years and 14 in the second, third, seventh, and eighth year of the analysis period. Recall, because vessel owners and operators would have 3 years to obtain a certificate, we divided the population essentially into thirds, 13 in the first and sixth years and 14 in the second, third, and seventh and eighth years).

**PROPOSED USE OF INFORMATION:** The Polar Ship Certificate attests that the vessel has met applicable requirements of SOLAS to the satisfaction of the U.S. Government. Without the certificate, U.S.-flagged vessels could be detained in foreign ports as being unsafe.

**DESCRIPTION OF THE RESPONDENTS:** Respondents are the owner, agent, Master, operator, or person in charge of a U.S.-flagged vessel that transits in polar waters.

**NUMBER OF RESPONDENTS:** The existing OMB-approved number of respondents is 413. This proposed rule would not change the number of respondents because the vessel population that would be affected is a subset of the existing number of respondents; this proposed rule is not adding new respondents to this collection.

**FREQUENCY OF RESPONSE:** The existing OMB-approved number of responses is 912. This proposed rule would increase the number of responses by 14 annually (41 vessels/3-year renewal period) to 926.

**BURDEN OF RESPONSE:** The existing OMB-approved burden of response is 6 minutes, or 0.1 hours, or the time it takes for a crewmember of a vessel to post the Polar Ship Certificate onboard the vessel.

**ESTIMATE OF TOTAL ANNUAL BURDEN:** The existing OMB-approved total

annual burden is 94 hours. This proposed rule would increase the burden hours annually by one hour. The estimated total annual burden would now be 95 hours annually.

As required by 44 U.S.C. 3507(d), we will submit a copy of this proposed rule to OMB for its review of the COI.

We ask for public comment on the proposed COI to help us determine how useful the information is; whether it can help us perform our functions better; whether it is readily available elsewhere; how accurate our estimate of the burden of collection is; how valid our methods for determining burden are; how we can improve the quality, usefulness, and clarity of the information; and how we can minimize the burden of collection.

If you submit comments on the COI, submit them both to OMB and to the Docket Management Facility where indicated under the ADDRESSES section of this proposed rule, by the date under the DATES section.

You need not respond to a COI unless it displays a currently valid control number from OMB. Before the Coast Guard could enforce the COI requirements in this proposed rule, OMB would need to approve the Coast Guard's request to collect this information.

#### E. Federalism

A rule has implications for federalism under Executive Order 13132 ("Federalism") if it has a substantial direct effect on 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 proposed rule under Executive Order 13132 and have determined that it is consistent with

the fundamental federalism principles and preemption requirements as described in Executive Order 13132. Our analysis is explained below.

It is well settled that States may not regulate in categories reserved for regulation by the Coast Guard. It is also well settled that Coast Guard regulations regarding vessel design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, and manning issued under the authority of 46 U.S.C. sections 3306, 3703, 7101, and 8101 are within fields foreclosed from regulation by the States. *See United States v. Locke*, 529 U.S. 89, 90 (2000) (stating “Congress has left no room for state regulation of these matters.”). This rule adds the Polar Ship Certificate to the list of certificates required, if applicable, by the SOLAS. Additionally, this rule adds this certificate to the list of SOLAS certificates that recognized classification societies are authorized to issue on behalf of the Coast Guard. The issuance of international certificates is within the sole purview of the Coast Guard to regulate pursuant to 46 U.S.C. sections 3306, 3703, 7101, and 8101; Executive Order 12234; and the principles discussed in *Locke*. Thus, the regulations are consistent with the principles for federalism and preemption requirements in Executive Order 13132.

While it is settled that States may not regulate in categories in which Congress intended the Coast Guard to be the sole source of a vessel’s obligations, the Coast Guard recognizes the key role that State and local governments may have in making regulatory determination. Additionally, for rules with federalism implications and preemptive effect, Executive Order 13132 specifically directs agencies to consult with State and local governments during the rulemaking process. If you believe this rule has implications for

federalism under Executive Order 13132, please contact the person listed in the FOR FURTHER INFORMATION section of this preamble.

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 proposed rule would not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

G. Taking of Private Property

This proposed rule would not cause a taking of private property or otherwise have taking implications under Executive Order 12630 (“Governmental Actions and Interference with Constitutionally Protected Property Rights”).

H. Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, (“Civil Justice Reform”), to minimize litigation, eliminate ambiguity, and reduce burden.

I. Protection of Children

We have analyzed this proposed rule under Executive Order 13045 (“Protection of Children from Environmental Health Risks and Safety Risks”). This rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children.

J. Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175 (“Consultation and Coordination with Indian Tribal Governments”), because it would 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 proposed rule under Executive Order 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 Executive Order 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, codified as a note to 15 U.S.C. 272, directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through OMB, 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 proposed rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

M. Environment

We have analyzed this proposed rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.ID, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969, 42 U.S.C. 4321-4370f, and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. A preliminary environmental analysis checklist supporting this determination is available in the docket where indicated under the “Public Participation and Request for Comments” section of this preamble. This proposed rule involves: (1) adding a Polar Ship Certificate to the list of certificates required, if applicable, by SOLAS; and (2) adding the Polar Ship Certificate to the list of SOLAS certificates that recognized classification societies may issue on behalf of the Coast Guard. These proposed actions constitute editorial or procedural changes concerning vessel documentation requirements (i.e., issuance of Polar Ship Certificates) and the delegation of authority for issuing such certificates. Thus, this proposed rule is likely to be categorically excluded under section 2.B.2 and figure 2-1, paragraphs (34)(a), (b), and (d) of the Instruction. This proposed rule would promote the Coast Guard’s maritime safety and environmental protection missions. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

List of Subjects

46 CFR Part 2

Marine Safety, Reporting and recordkeeping requirements, Vessels.

46 CFR Part 8

Administrative practice and procedure, Organization and functions (Government

agencies), Reporting and recordkeeping requirements, Vessels.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 46 CFR parts 2 and 8 as follows:

Title 46 -- Shipping

**PART 2 – VESSEL INSPECTIONS**

1. The authority citation for 46 CFR part 2 continues to read as follows:

**Authority:** Sec. 622, Pub. L. 111-281; 33 U.S.C. 1903; 43 U.S.C. 1333; 46 U.S.C. 2103, 2110, 3306, 3703; E.O. 12234, 45 FR 58801, 3 CFR, 1980 Comp., p. 277, sec. 1-105; Department of Homeland Security Delegation No. 0170.1(II)(77), (90), (92)(a), (92)(b).

§ 2.01-6 [Amended]

2. In § 2.01-6(a)(1), after the words “passengers in U.S. ports” and before the words “holds a valid”, remove the word “and”; and after the text “Passenger Ship Safety Certificate”, add the text “, and, if applicable, holds a valid Polar Ship Certificate”.

3. Amend § 2.01-25 by adding paragraphs (a)(1)(x) and (a)(2)(x) to read as follows:

§ 2.01-25 International Convention for Safety of Life at Sea, 1974.

(a) \* \* \*

(1) \* \* \*

(x) Polar Ship Certificate.

(2) \* \* \*

(x) Polar Ship Certificate.

\* \* \* \* \*

**PART 8 – VESSEL INSPECTION ALTERNATIVES**

4. The authority citation for 46 CFR part 8 continues to read as follows:

**Authority:** 33 U.S.C. 1903, 1904, 3803 and 3821; 46 U.S.C. 3103, 3306, 3316, and 3703; Department of Homeland Security Delegation No. 0170.1 and Aug. 8, 2011 Delegation of Authority, Anti-Fouling Systems.

5. Amend § 8.320 as follows:

a. In paragraph (b)(13), remove the word “and”;

b. In paragraph (b)(14), remove the text “.”; and add, in its place, the text “; and”;

and

c. Add new paragraph (b)(15) to read as follows:

§ 8.320 Classification society authorization to issue international certificates.

\* \* \* \* \*

(b) \* \* \*

(15) Polar Ship Certificate.

\* \* \* \* \*

Dated: November 16, 2016

F.J. Sturm,

Acting Director, Commercial Regulations and Standards,

U.S. Coast Guard.

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