



DEPARTMENT OF HOMELAND SECURITY

Coast Guard

46 CFR Part 4

[Docket No. USCG-2016-0748]

RIN 1625- AC33

Marine Casualty Reporting Property Damage Thresholds

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to amend the monetary property damage threshold amounts for reporting a marine casualty, and for reporting a type of marine casualty called a “serious marine incident” (SMI). The initial regulations setting these dollar threshold amounts were promulgated in the early 1980s and they have not been updated. Because the monetary thresholds for reporting have not kept pace with inflation, relatively minor casualties must be reported. Additionally, the regulations require mandatory drug and alcohol testing following an SMI; consequently, testing is being conducted for casualties that are less significant than those intended to be captured by the original regulations. Updating the regulations will reduce the burden on vessel owners and operators, and will also reduce the amount of Coast Guard resources expended to investigate these incidents.

DATES: Comments and related material must be submitted to the online docket via <http://www.regulations.gov>, or reach the Docket Management Facility, on or before

[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Comments sent to the Office of Management and Budget (OMB) on collection of information must reach OMB on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.].

ADDRESSES: Submit comments using one of the listed methods, and see SUPPLEMENTAL INFORMATION section below for more information on public comments.

Collection of information. You must submit any comments on the collection of information discussed in Section IV 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) – oira_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.
- *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 Randy Waddington, CG-INV, Coast Guard; telephone 202-372-1029, e-mail HQS-PF-fl dr-CG- INV@uscg.dhs.gov.

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I. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking, and we 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 of proposed rulemaking (NPRM), 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 will consider doing 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 such a meeting.

II. Abbreviations

BLS	Bureau of Labor Statistics
CFR	Code of Federal Regulations
CPI-U	Consumer Price Index for All Urban Consumers
DHS	Department of Homeland Security
E.O.	Executive Order
FR	<i>Federal Register</i>
MISLE	Marine Information for Safety and Law Enforcement
NVIC	Navigation and Vessel Inspection Circular
OCMI	Officer in Charge, Marine Inspection
OMB	Office of Management and Budget
SMI	Serious marine incident
§	Section symbol
U.S.C.	United States Code

III. Background, Basis, and Purpose

Pursuant to 46 U.S.C. 6101, the Coast Guard is required to prescribe regulations on marine casualty reporting and the manner of reporting. Based on this authority, we promulgated regulations in part 4 of Title 46 of the Code of Federal Regulations (CFR)

that included, among other criteria, monetary property damage threshold amounts for reporting a “serious marine incident”¹ and for reporting a marine casualty.² The original regulations setting these property damage threshold amounts were promulgated in the 1980s and they have not since been updated. In this NPRM, the Coast Guard proposes to update the dollar threshold amounts for property damage in 46 CFR 4.03-2(a)(3) and 4.05-1(a)(7) to account for inflation.

In 2013 through 2014, Coast Guard undertook a review of marine casualty reporting requirements during our development of Navigation and Vessel Inspection Circular (NVIC) 01-15, resulting in a *Federal Register* notice³ requesting public comment on the draft NVIC 01-15. Several commenters from industry and the public noted that property damage threshold amounts for reported marine casualties and serious marine incidents (SMIs) had not been updated to reflect inflation and supported an inflation adjustment to the thresholds. Furthermore, in response to a task to examine the Coast Guard’s marine casualty reporting requirements, the Coast Guard’s Towing Vessel Safety Advisory Committee recommended that we amend the monetary thresholds in 46 CFR part 4 to account for inflation.⁴

There is Coast Guard and stakeholder consensus that the early 1980s property damage monetary threshold amounts listed in 46 CFR 4.03-2 and 4.05-1 have not kept pace with inflation. Over time, this has resulted in the reporting of a greater number casualties involving relatively minor property damage. As was explained in the 1980 interim final rule, “the Coast Guard’s selection of a monetary value as a reporting

¹ 46 CFR 4.03-2.

² 46 CFR 4.05-1.

³ 79 FR 2466 (January 14, 2014).

⁴ Towing Safety Advisory Committee, Task 13-09, Recommendations for Improvement of Marine Casualty Reporting Final Report. This report is accessible at <https://homeport.uscg.mil/tsac>.

criterion is based upon the premise that increased repair costs are indicative of the increased seriousness of a marine casualty [...] The monetary damage criterion has been chosen as the most effective method of ensuring that only the more serious casualties are reported.” (45 FR 77439, 77440). Accordingly, it has never been our intent to require owners or operators to notify us of casualties involving relatively minor property damage; consequently, we are amending the property damage monetary threshold amounts in order to eliminate the reporting of insignificant property damage incidents. The marine casualty reports impacted by this NPRM are those marine casualties where the only outcome was property damage in the amount of \$25,000.01 through \$72,000. Additionally, because the regulations require mandatory drug and alcohol testing following an SMI, current regulations require chemical testing for casualties that reach a minimum threshold of \$100,000 in property damage. Due to cost increases caused by inflation, however, casualties that result in property damage between \$100,000 and \$200,000 are no longer representative of a “serious” casualty. The lack of inflation updates to our marine casualty regulations has resulted in an additional administrative and financial burden on vessel owners and operators, as well as on Coast Guard resources used to investigate these incidents. This NPRM would result in an estimated annual cost savings of \$40,809 to industry due to a reduction in the hourly burden of reporting and recordkeeping for both marine casualties and SMIs, and a reduction in an estimated annual cost savings of \$4,649 for chemical testing for marine casualties designated as SMIs. This NPRM would result in Coast Guard cost savings by reducing the hourly burden costs to investigate marine casualties as well as the costs associated with processing marine casualty forms.

As a result of updating the dollar amount thresholds to account for inflation, we anticipate there would be a decrease in the number of commercial vessel casualties reported to the Coast Guard. The changes proposed by this NPRM would also likely decrease the number of casualties that fall within the current definition of an SMI, and thereby reduce the amount of chemical tests administered following an SMI that result in property damage of \$100,000.01 through \$200,000. However mandatory chemical testing would still be required if the property damage meets the revised dollar threshold amount (in excess of \$200,000) proposed by this NPRM. The intent of setting a dollar amount threshold in our marine casualty reporting regulation and within the definition of “serious marine incident” is to ensure that the Coast Guard is aware of those incidents that could be indicative of more serious problems and that may be averted in the future with timely intervention.

These proposed changes would provide a benefit for both the marine industry and the Coast Guard because they would reduce the hourly burden or eliminate the marine casualty reporting requirements for incidents involving property damage between the existing and proposed thresholds, and reduce SMI chemical testing requirements for incidents involving property damage in the range of \$100,000 through \$200,000. As a result, the marine industry and Coast Guard resources would be able to focus efforts on higher consequence incidents.

IV. Discussion of Proposed Rule

The Coast Guard proposes to amend 46 CFR 4.03-2 and 4.05-1. The proposed changes would replace the existing reportable marine casualty property damage threshold amount of \$25,000 with \$72,000 in 46 CFR Part 4.05-1(a) (7), and replace the SMI

property damage threshold of \$100,000 with \$200,000 in 46 CFR Part 4.03-2(a) (3).

These threshold amounts are being updated to account for inflation.

The Coast Guard determined the inflation adjustment factor using the change in the Consumer Price Index for All Urban Consumers (CPI-U) from the original dollar thresholds set in 1980 for marine casualty property damage and 1988 for SMI property damage. The CPI-U is calculated and published by the U.S. Department of Labor, Bureau of Labor Statistics⁵, and uses the period of 1982 to 1984 as the base level where the CPI-U = 100. We calculated the inflation adjustment by comparing the average CPI-U for the base years (82.408 in 1980 and 118.258 in 1988) with the average CPI-U for 2015 (237.017). This resulted in an inflation adjustment factor of 1.876⁶ for the marine casualty dollar threshold and a factor of 1.004⁷ for the SMI dollar threshold.

For the marine casualty reporting threshold, we multiplied the inflation adjustment factor of 1.876 by the current threshold of \$25,000 to calculate the raw inflation increment of \$46,900, resulting in a total revised threshold of \$72,000 (25,000 + \$46,900 rounded to the nearest thousand).

For the SMI dollar threshold, we multiplied the inflation adjustment factor of 1.004 by the current threshold of \$100,000 to calculate the raw inflation increment of \$100,400, resulting in a total revised threshold of \$200,000 (100,000 + \$100,400 rounded to the nearest thousand).

V. Regulatory Analyses

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

⁵ CPI Detailed Report December 2015, Table 24. <http://www.bls.gov/cpi/cpid1512.pdf>

⁶ $(237.017-82.408)/82.408 = 1.876$

⁷ $(237.017-118.258)/118.258 = 1.004$

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 NPRM 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 Regulatory Analysis provides an evaluation of the economic impacts associated with this NPRM. The Coast Guard proposes to amend two sections in part 4 of Title 46 of the CFR, 46 CFR 4.03-2 and 4.05-1. Under this NPRM, the Coast Guard proposes to replace the reportable marine casualty dollar threshold of \$25,000 with \$72,000 in 46 CFR Part 4.05-1(a) (7), and replace the SMI dollar threshold of \$100,000 with \$200,000 in 46 CFR Part 4.03-2(a) (3) to update the thresholds to account for inflation, as discussed in Section IV of this NPRM. Table 1 provides a summary of the affected population, costs, and benefits after implementation of this NPRM.

Table 1: Summary of the Impacts of the NPRM

Category	Summary
Applicability	Replace the reportable marine casualty dollar threshold of \$25,000 with \$72,000 Replace the SMI dollar threshold of \$100,000 with \$200,000

Affected Population	<p>Owners, agents, masters, operators, or persons in charge involved in a marine casualty and crewmembers who are required to undergo chemical testing.</p> <p>Annual average of 316 vessel owners, operators, or their representatives reporting a marine casualty, 21 marine employers reporting an SMI, and average of 32 vessel crewmembers completing chemical testing would no longer be required to report these incidents to the Coast Guard</p>
Costs	No quantitative costs
Benefits	<p>\$45,458 annualized and \$319,281 10-year present value monetized industry benefits (cost savings) (7% discount rate)</p> <p>\$637,688 annualized and \$4,478,854 10-year present value monetized Government benefits (cost savings) (7% discount rate)</p> <p>Total of industry and Government benefits: \$683,146 annualized and \$4,798,134 10-year present value monetized combined benefits (cost savings) (7% discount rate)</p>

Affected Population

We expect that this NPRM would affect the owners, agents, masters, operators, or persons in charge of a commercial vessel who, pursuant to 46 CFR 4.05-1, are required to notify the nearest Sector Office whenever a vessel is involved in a marine casualty. Specifically, the proposed regulations in this NPRM would affect those individuals who would have completed the necessary forms (CG-2692 series) to report a marine casualty where the only outcome was property damage of \$25,000.01 through \$72,000, or an SMI with property damage of \$100,000.01 through \$200,000 (CG-2692 series, supplemented with an appended SMI written report (CG-2692B)).⁸

We used incident investigation data from the Coast Guard’s Marine Information

⁸ “Report of Required Chemical Drug and Alcohol Testing Following a Serious Marine Incident.” See, 46 CFR 4.05-10.

for Safety and Law Enforcement (MISLE) system from 2012 through 2014⁹ to estimate the average number of vessel crewmembers affected by this NPRM. From 2012 through 2014, we found there was an average of 5,967 reports of a marine casualty per year, with one individual per vessel who we assume to be a vessel crewmember completing each report. An average of 271, or 4.5 percent of the annual 5,967 marine casualty reports, involved an SMI.

Of the 5,967 marine casualty reports, approximately 5.3 percent were for a reportable marine casualty where the only outcome was property damage of \$25,000.01 through \$72,000. Therefore, we expect that an average of approximately 316 fewer reports of marine casualties would be required per year. Vessel owners and operators would benefit from a reduction in the time burden associated with a crewmember no longer having to prepare and submit the required marine casualty reporting paperwork.

Of the 271 casualty reports that involved an SMI, approximately 7.9 percent (21 out of 271) were ones in which the sole outcome of the SMI was property damage of \$100,000.01 through \$200,000. Based on that annual average, the amendments proposed in this NPRM would likely result in a reduction of about 21 SMI written reports (CG-2692B) per year due to the proposed change to the monetary threshold amount for an SMI involving property damage. Because property damage of \$100,000.01 through \$200,000 exceeds the threshold for a reportable marine casualty, the forms for a marine casualty report (CG-2692 series) would still need to be completed. However, marine employers would no longer be required to complete the additional paperwork required for an SMI written report (CG-2692B). Consequently, marine employers would benefit from

⁹ This 3-year time period was used to be consistent with the existing Collection of Information, entitled "Report of Marine Casualty & Chemical Testing of Commercial Vessel Personnel," which has OMB Control Number 1625-0001.

a reduction in the time burden associated with an SMI written report (CG-2692B) as well as cost savings associated with chemical savings.

Benefits or Cost Savings to Industry

The benefit or cost savings to industry is the difference between the current baseline cost to industry and the cost to industry after implementation of this NPRM.

Current Reporting Cost to Industry for CG-2692 and CG-2692B

To estimate the benefit to industry, we first estimate the current cost to industry. The cost to industry includes costs for reporting and recordkeeping for a reportable marine casualty and the costs for chemical testing for marine casualties designated as SMIs. The reporting and recordkeeping costs for marine casualties include the time to complete the forms (CG-2692 series) for a marine casualty, the time for approximately 10 percent of the forms to be internally reviewed before submission, and the time to complete the additional SMI written report (CG-2692B) pursuant to 46 CFR 4.06-60(a) if a marine casualty is designated as an SMI. The time estimates and wage rates for reporting and recordkeeping are taken from the existing Collection of Information, entitled “Report of Marine Casualty & Chemical Testing of Commercial Vessel Personnel,” which has OMB Control Number 1625-0001.¹⁰ We use the same time estimates and wage rates in this analysis to maintain consistency and to capture the changes due to this NPRM.

An average of 5,967 marine casualty reports are submitted annually by vessel owners or operators. For each reportable marine casualty, the existing Collection of

¹⁰ Existing Collection of Information, “Report of Marine Casualty & Chemical Testing of Commercial Vessel Personnel”, OMB Control Number 1625-0001, Docket Number USCG-2015-0910, can be found at <https://www.federalregister.gov/documents/2015/10/23/2015-27019/information-collection-request-to-office-of-management-and-budget-omb-control-number-1625-0001>.

Information estimates that it takes about 1 hour for a vessel crewmember to complete the necessary forms (CG-2692 series). The existing Collection of Information also estimates that the position of vessel crewmember is analogous to a government employee at the grade level of a GS-03. The fully loaded wage rate for a GS-03 is \$26 per hour, according to Commandant Instruction 7310.1P, "Reimbursable Standard Rates."¹¹ The annual baseline cost to complete the current 5,967 CG-2692 series forms would be \$155,142 (5,967 marine casualty reports x \$26).

We estimate that it takes, on average, 1 hour to complete the CG-2692 series forms. However, we received public comments in 2011 on existing COI number 1625-0001 stating that completing the CG-2692 form takes more than one hour and one commenter stated that it can take up to 8 to 12 hours to complete the form.¹² The reason for this difference is that some entities choose to have the forms reviewed by shore-side personnel, such as an attorney prior to submission to the Coast Guard. We adjusted our burden estimate to account for the additional layer of review. To account for this additional time, 10 percent of the forms submitted would have 10 hours of additional burden. The additional time reflects internal review by individuals employed by the owner or operator in addition to the vessel crewmember who completes the form. The additional reviewers may be shoreside representatives, port engineers, and attorneys, among others. We estimate the wage rate for this added review is done by personnel analogous to a government employee at the grade level of a GS-14. The fully loaded wage rate for a GS-14 is \$101 per hour, per Commandant Instruction 7310.1P. The total

¹¹ Out of Government Rate for GS-03. Hourly Rates for Personnel (\$), Enclosure (2) to Commandant Instruction 7310.1P. We use this version to maintain consistency with the existing COI 1625-0001.

¹² Docket ID: USCG-2011-0710. Comments can be found at <https://www.regulations.gov/docket?D=USCG-2011-0710>.

annual cost of this additional time is \$602,970 (597 marine casualty reports x 10 additional burden hours x \$101).

When a marine casualty is designated as an SMI, the marine employer must also complete an SMI written report (CG-2692B). (See 46 CFR 4.06-60.) We estimate that it takes about 0.5 hours for a marine employer analogous to a government employee at the grade level of a GS-03 to complete this form. The annual cost to complete an SMI written report (CG-2692B) is about \$3,523 (271 SMI reports x 0.5 hours x \$26 per hour wage rate).

Table 2 shows a summary of the current industry costs for reporting and recordkeeping.

Table 2: Current Annual Industry Costs for Reporting and Recordkeeping

Requirement	Crewmembers/ Responses	Burden Hours per Response	Annual Hour Burden	Wage Rate	Annual Cost Burden
Written report of marine casualty	5,967	1	5,967	\$26	\$155,142
Additional Burden for 10% of Respondents	597	10	5,970	\$101	\$602,970
SMI written report	271	0.5	136	\$26	\$3,523
Totals		-	12,073	-	\$761,635

*Estimates may not sum due to independent rounding.

As mentioned earlier in this NPRM, when a marine casualty is designated as an SMI, the crewmembers involved are required to take a chemical test pursuant to 46 CFR 4.06-3. The marine employer incurs costs for the actual costs of the chemical test and the time it takes for a crewmember to take the chemical test. The actual cost of the chemical test includes the costs of the chemical test collection kits, collector fees, Coast Guard alcohol-testing swabs, and costs of overnight mailing. These costs can vary, but on

average, the actual chemical test costs approximately \$100 per test.¹³ Each vessel crewmember involved in an SMI is required to take a chemical test. The number of vessel crewmembers required to take a chemical test can vary depending on the circumstances of the SMI. We analyzed the casualty reports that involved an SMI from MISLE and found an average of 1.5 crewmembers per SMI were required to take a chemical test. We used an estimate of 1.5 crewmembers to estimate the costs of chemical testing to account for the variation in crewmembers involved in SMIs. With an average of 271 SMIs per year, the current annual cost for the actual chemical tests is \$40,650 (271 SMIs x average of 1.5 crewmembers x \$100 per test).

In addition to the cost of the chemical tests, there is a cost associated with the time it takes a vessel crewmember to complete the chemical test. We estimate that it takes 1 hour for a crewmember to complete the chemical test.¹⁴ We obtained the wage rate of the crewmember from the U.S. Bureau of Labor Statistics (BLS), using Occupational Series 53-5000, Water Transportation Workers (May 2015). The BLS reports that the mean hourly wage rate for a water transportation worker is \$31.11.¹⁵ To account for employee benefits, we use a load factor of 1.53, which we calculated from 2016 first quarter BLS data.¹⁶ The loaded wage for a crewmember is estimated at \$47.60

¹³ Most marine employers use a consortium that simplifies and reduces the costs per test and also assists in managing a company's drug-testing program. There are variables associated with the cost of testing, as costs can vary depending on the number of personnel included in a plan and the type of testing plan adopted by a particular company. Based on discussions with industry and Coast Guard medical testing contract data that is not publically available, we estimated testing costs of \$79 and \$114. We are, therefore, using an average cost of \$100 for this analysis $[(\$79 + \$114) / 2, \text{rounded}]$.

¹⁴ Hourly estimate is from Coast Guard subject matter experts, and takes into account that these are not planned tests, but instead are emergent tests--required as a result of accidents--that must be taken no later than 32 hours after the incident.

¹⁵ Mean wage, http://www.bls.gov/oes/2015/may/oes_nat.htm

¹⁶ Employer Costs for Employee Compensation provides information on the employer compensation and can be found at <http://data.bls.gov/data/>. The loaded wage factor is equal to the total compensation of \$27.61 divided by the wages and salary of \$18.05. Values for the total compensation and wages and salary are for all private industry workers in the transportation and material moving occupations, 2016 1st quarter.

(\$31.11 wage rate x 1.53 load factor). The cost of the time for a crewmember to take the chemical test is \$19,349 (271 SMIs x average of 1.5 crewmembers x 1 hour burden x \$47.60 wage rate). Therefore, the current annual cost to industry for chemical testing is \$59,999 (see Table 3). Adding the costs for chemical testing of \$59,999 to the cost for reporting and recordkeeping of \$761,635 (see Table 2), brings the current total annual cost to industry to \$821,634.

Table 3: Current Annual Industry Costs for Chemical Testing

SMIs per year	Average crewmembers tested per SMI	Cost of testing procedures	Hours to take test	Wage rate	Total cost of testing procedures
271	1.5	\$100	1	\$47.60	\$59,999

Total Reporting Costs to Industry After Implementation of the NPRM

Increasing the dollar threshold amount for a reportable marine casualty involving property damage, as well as the dollar threshold amount for property damage within the definition of a “serious marine incident,” would reduce the number of marine casualty responses by 5.3 percent, and the number of SMIs by 7.9 percent, annually. The burden hours per response would remain the same, but we estimate that the total number of responses would decrease to 5,651 for marine casualties and 250 for SMIs, resulting in 316 fewer reported marine casualties and 21 fewer SMIs. The following sections replicate the calculation of marine casualty reporting and chemical testing, but reflect the reduced number of reports and testing under the revised thresholds.

For each reportable marine casualty, we estimate that it takes about 1 hour for a vessel crewmember to complete all parts of the necessary forms at a wage rate of \$26. We estimate that the cost to complete the reduced number of marine casualty forms

would be \$146,926 (5,651 marine casualty reports x \$26).

In addition to the time to complete the forms, some of the marine casualty forms would require additional processing time. The additional processing time reflects internal review by individuals employed by the owner or operator, in addition to the time needed by the vessel crewmember who completes the form. The additional reviewers may be shoreside representatives, port engineers, or attorneys, among others. To account for this time, 10 percent¹⁷ of the forms submitted (565 forms) would have 10 hours of additional burden, and the wage rate for this added review would be done by personnel analogous to a government employee at the grade level of a GS-14. We estimate that the total cost of this additional time after the implementation of this NPRM would be \$570,650 (565 marine casualty reports x 10 additional burden hours x \$101).

As mentioned earlier in this NPRM, when a marine casualty is designated as an SMI, the marine employer must complete an SMI written report (CG-2692B). We estimate that it takes about 0.5 hours for a marine employer analogous to a government employee at a grade level of a GS-03 to complete this form.¹⁸ We estimate that the cost to complete the additional forms for an SMI after implementation of this NPRM would be \$3,250 (250 SMI reports x 0.5 hours x \$26 per hour wage rate).

Table 4 shows a summary of the industry costs after implementation of this NPRM.

Table 4: Annual Industry Costs for Reporting and Recordkeeping with Revised Reporting Thresholds

¹⁷ Docket ID: USCG-2011-0710, <https://www.regulations.gov/docket?D=USCG-2011-0710>.

¹⁸ The wage rate for a marine employer to complete the form CG-2692B and to report chemical test results to the OCMI is taken from existing COI number 1625-0001.

Requirement	Crewmembers /Responses	Burden Hours per Response	Annual Hour Burden	Wage Rate	Annual Cost Burden
Written report of marine casualty	5,651	1	5,651	\$26	\$146,926
Additional Burden for 10% of Respondents	565	10	5,650	\$101	\$570,650
SMI written report	250	0.5	125	\$26	\$3,250
Totals		-	11,426	-	\$720,826

Note: Estimates may not sum due to independent rounding.

The marine employer incurs the actual costs of the chemical test as well as the wage burden it takes for a crewmember to complete the chemical test. On average, each chemical test costs approximately \$100. We use an estimate of 1.5 crewmembers to estimate the costs of chemical testing to account for the variation in crewmembers involved in SMIs. With an average of 250 SMIs per year, the annual cost after implementation of this NPRM for the actual chemical tests is \$37,500 (250 SMIs x average of 1.5 crewmembers x \$100 per test).

In addition to the cost of the chemical tests, there is a cost associated with the time it takes a vessel crewmember to complete the chemical test. We estimate that it takes 1 hour for a crewmember to complete the chemical test at a loaded wage rate of \$47.60 per hour. We estimate that the cost of the time for a crewmember to take the chemical test under the NPRM would be \$17,850 (250 SMIs x average of 1.5 crewmembers x 1 hour burden x \$47.60 wage rate). Therefore, the annual cost to industry for chemical testing after implementation of this NPRM would be \$55,350 (see Table 5). Adding the costs for chemical testing of \$55,350 to the cost for reporting and recordkeeping of \$720,826 (see Table 4) brings the estimated total annual cost to

industry to \$776,176, if this NPRM is implemented.

Table 5: Annual Industry Costs for Chemical Testing After Implementation of the NPRM

SMI per year	Average Crewmembers tested per SMI	Cost of testing procedures	Hours to take test	Wage Rate	Total cost of testing procedures
250	1.5	\$100	1	\$47.60	\$55,350

The current annual burden of reporting marine casualties and SMIs under the current dollar amount thresholds is \$821,634. The annual burden of reporting under the proposed new thresholds would be \$776,176. Therefore, we estimate that the annual cost savings or benefit to industry after implementation of this NPRM would be \$45,458.

Table 6 shows a summary of the annual current industry cost burden, the annual industry cost burden after implementation of the NPRM, and the annual cost savings resulting from implementation of this NPRM.

Table 6: Total Annual Cost Savings to Industry by Requirement After Implementation of the NPRM

Requirement	Current Annual Industry Cost Burden	Annual Industry Cost Burden After Implementation of NPRM	Annual Industry Cost Savings After Implementation of NPRM
Written report of marine casualty	\$155,142	\$146,926	\$8,216
Additional burden for 10% of respondents	\$602,970	\$570,650	\$32,320
SMI written report	\$3,523	\$3,250	\$273
Testing procedures	\$59,999	\$55,350	\$4,649
Total	\$821,634	\$776,176	\$45,458

The total 10-year undiscounted industry cost savings of this NPRM would be

\$454,584. Table 7 shows the 10-year estimated discounted cost savings to industry to be about \$319,281 with an annualized cost savings of approximately \$45,458 using a 7-percent discount rate.

Table 7: Total Estimated Cost Savings or Industry Benefits of the NPRM over a 10-year Period of Analysis (Discounted Costs at 7 and 3 Percent)

Year	Total Undiscounted Costs	Total, Discounted	
		7%	3%
1	\$45,458	\$42,484	\$44,134
2	\$45,458	\$39,705	\$42,849
3	\$45,458	\$37,108	\$41,601
4	\$45,458	\$34,680	\$40,389
5	\$45,458	\$32,411	\$39,213
6	\$45,458	\$30,291	\$38,071
7	\$45,458	\$28,309	\$36,962
8	\$45,458	\$26,457	\$35,885
9	\$45,458	\$24,726	\$34,840
10	\$45,458	\$23,109	\$33,825
Total	\$454,584	\$319,281	\$387,769
Annualized		\$45,458	\$45,458

Benefits or Cost Savings to Government

The benefit to the Federal Government is the difference between the baseline current cost to the Coast Guard and the cost to the Coast Guard after implementation of this NPRM.

Current Costs to Government

We first estimated the current costs to the Coast Guard, which include the cost to investigate a marine casualty and the cost of processing marine casualty forms. Because an SMI is a type of marine casualty, the estimate for the cost of the investigation and the processing of the casualty forms includes those incidents that constitute an SMI.

Reportable marine casualties are investigated by the Coast Guard. Some investigations

may be more complex than others, depending on the incident. The Coast Guard reviewed the CG-741 (Coast Guard Office of Shore Forces) Sector Staffing Model to estimate the average number of hours per investigation across all incident types. The Sector Staffing Mode assigns a total hourly effort for the type of incident (e.g., allision, grounding, collision) that is matched against MISLE data, which then provides the resource needs for each sector. The Coast Guard estimates that, across all types of incidents, these investigations take an average of 25 hours for a Lieutenant (LT; O-3) to complete. There is an average of 5,967 marine casualty cases per year. The fully loaded wage rate for an O-3 is \$78 per hour, per Commandant Instruction 7310.1P. As shown in Table 8, the current annual cost of investigations is \$11,635,650 (5,967 reportable marine casualties x 25 burden hours x \$78 wage rate).

The Coast Guard must process the forms submitted for each reportable marine casualty. The Coast Guard currently processes an average of 5,967 marine casualty reports per year. To maintain consistency and capture the changes to this NPRM, the time estimates and wage rates for processing the forms are taken from the existing COI 1625-0001. For each reportable marine casualty, we estimate that it takes about 1 hour by a Lieutenant Junior Grade (LTJG; O-2) to process the forms (CG-2692 series), including auditing at a local field investigation office and the entry of pertinent information into Coast Guard's MISLE system. The fully loaded wage rate for an O-2 is \$68 per hour, per Commandant Instruction 7310.1P. As shown in Table 8, the current annual cost for the Coast Guard to process reportable marine casualties is \$405,756 (5,967 reportable marine casualties x 1 burden hour x \$68 wage rate). We estimate that the total current annual cost to the Federal Government would be \$12,041,406.

Table 8: Current Annual Government Costs

Cost Category	Reportable Marine Casualties	Burden Hours per Response	Annual Hours	Wage Rate	Annual Cost
Investigation	5,967	25	149,175	\$78	\$11,635,650
Processing marine casualty reports	5,967	1	5,967	\$68	\$405,756
Total					\$12,041,406

Under this NPRM, increasing the dollar amount threshold for property damage would reduce the number of reportable marine casualties by 5.3 percent, resulting in 316 fewer reportable marine casualties. The burden hours per response for investigations and processing marine casualty reports would remain the same, but the average number of reportable marine casualties would decrease to 5,651 per year. We estimate that it takes an average of 25 hours for an O-3 to complete and investigate and about 1 hour for an O-2 to process the forms for each reportable marine casualty. As shown in Table 9, the annual cost for the Coast Guard to complete investigations under the NPRM would be approximately \$11,019,450 (5,651 reportable marine casualties x 25 hour burden x \$78). The annual cost to process reportable marine casualties after implementation of this NPRM would be approximately \$384,268 (5,651 reportable marine casualties x 1 hour burden x \$68). We estimate that the total annual cost to the Federal Government would be approximately \$11,403,718 after implementation of this NPRM.

Table 9: Estimated Annual Government Costs After Implementation of the NPRM

Cost Category	Reportable Marine Casualties	Burden Hours per Response	Annual Hours	Wage Rate	Annual Cost
Investigation	5,651	25	141,275	\$78	\$11,019,450
Processing marine casualty	5,651	1	5,651	\$68	\$384,268

report					
Total					\$11,403,718

The current annual cost to the Coast Guard to process marine casualty reports is \$12,041,406. The annual cost to the Coast Guard after implementation of this NPRM would be approximately \$11,403,718. Therefore, the annual Federal Government benefit of reducing those reportable marine casualties that involve property damage alone would be \$637,688. Though this reduction does not result in a need for fewer Coast Guard investigators, the existing investigators would be able to focus on higher priority investigations. We estimate the total undiscounted cost savings or benefit of this NPRM to the Federal Government to be \$6,376,880 over the 10-year period of analysis. Table 10 shows the total estimated 10-year discounted cost savings to the Federal Government to be \$4,478,854, with an annualized cost savings of \$637,688 using a 7-percent discount rate.

Table 10: Total Estimated Cost Savings or Government Benefits of the NPRM over a 10-year Period of Analysis (Discounted Costs at 7 and 3 Percent)

Year	Total Undiscounted Costs	Total, Discounted	
		7%	3%
1	\$637,688	\$595,970	\$619,115
2	\$637,688	\$556,981	\$601,082
3	\$637,688	\$520,543	\$583,575
4	\$637,688	\$486,489	\$566,578
5	\$637,688	\$454,663	\$550,075
6	\$637,688	\$424,918	\$534,054
7	\$637,688	\$397,120	\$518,499
8	\$637,688	\$371,140	\$503,397
9	\$637,688	\$346,860	\$488,735
10	\$637,688	\$324,168	\$474,500
Total	\$6,376,880	\$4,478,854	\$5,439,608
Annualized		\$637,688	\$637,688

Total Benefits of the NPRM

Table 11 presents the total estimated benefits or cost savings of the NPRM using 7- and 3-percent discount rates. We estimate the total 10-year (industry and Federal Government) undiscounted cost savings of this NPRM to be about \$6,831,464. We estimate the total 10-year discounted cost savings of this NPRM to be about \$4,798,134 and the annualized benefit to be about \$683,146 using a 7-percent discount rate.

Table 11: Total Estimated Benefits of the NPRM over a 10-year Period of Analysis (Discounted Benefits at 7 and 3 Percent)

Year	Total Undiscounted Costs	Total, Discounted	
		7%	3%
1	\$683,146	\$638,455	\$663,249
2	\$683,146	\$596,687	\$643,931
3	\$683,146	\$557,651	\$625,176
4	\$683,146	\$521,169	\$606,967
5	\$683,146	\$487,074	\$589,288
6	\$683,146	\$455,209	\$572,124
7	\$683,146	\$425,429	\$555,461
8	\$683,146	\$397,597	\$539,282
9	\$683,146	\$371,586	\$523,575
10	\$683,146	\$347,277	\$508,325
Total	\$6,831,464	\$4,798,134	\$5,827,377
Annualized		\$683,146	\$683,146

B. Small Entities

Under the Regulatory Flexibility Act, 5 U.S.C. 601-612, we have considered whether this NPRM 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.

This NPRM reduces the burden on industry by increasing the monetized threshold amounts for reporting a marine casualty incident and an SMI. There is no effect on any crewmember, owner, or operator of a vessel that does not have a reportable marine casualty or serious marine incident. There is no effect on any crewmember, owner, or operator of a vessel that has a marine casualty with property damage less than or equal to \$25,000, or an SMI with damage less than or equal to \$100,000, as these individuals currently do not have to report the casualty and would not have to do so under this NPRM. There is no effect on any crewmember, owner, or operator of a vessel that has a marine casualty with property damage greater than \$72,000, or an SMI with property damage greater than \$200,000, as these individuals must currently report such casualties and perform chemical testing, and would continue to be required to do so under this NPRM.

This NPRM would not impose any direct costs on any specific industry. The only affected individuals are owners or operators of those vessels that would be involved in a marine casualty where the only outcome is property damage of \$25,000.01 through \$72,000, or an SMI where the only outcome is property damage of \$100,000.01 through \$200,000. These entities, which would have incurred costs to report these casualties or conduct chemical testing, would be positively impacted from this NPRM because of the increase in the monetized threshold amounts.

As discussed in Section V of this NPRM, we expect that an average of approximately 316 fewer reports of marine casualties would be required per year, with one individual per vessel who we assume to be a vessel crewmember completing each report. We assume the 316 marine casualty reports occur on 316 separate vessels. It is

possible a vessel could have multiple incidents in one year, resulting in multiple marine casualty reports, but for this analysis we assume the 316 fewer reports are ascribed to 316 separate vessels. We compared this affected population to the total population that could have a marine casualty and be required to prepare and submit marine casualty reporting paperwork. We used the MISLE Vessel Population data to estimate the total population that could be impacted. We found the current total population of vessels that could have a marine casualty and be required to submit paperwork is 209,475.¹⁹ Therefore, the 316 fewer vessels preparing marine casualty paperwork represents 0.15 percent of the total population.

The owners or operators of these 316 vessels would benefit from a reduction in time burden associated with a crewmember no longer having to prepare and submit the required marine casualty reporting paperwork. Table 6 in Section V summarizes the annual cost savings to industry by requirement. Table 13 below shows these annual cost savings, as well as the vessel population we estimated would benefit from each reduction in paperwork or testing requirement.

Table 13: Maximum Potential Cost Savings per Vessel per Incident

Requirement	Total Annual Cost Savings	Vessel Population	Maximum Potential Cost Savings per Vessel
Written report of marine casualty	\$8,216	316	\$26
Additional Burden for 10% of Respondents	\$32,320	32	\$1,010
SMI written report	\$273	21	\$13

¹⁹ Population data was pulled from MISLE on 9/28/2016. The population is for commercial vessels that are active and in-service. The population includes commercial fishing vessels, fish processing vessels, freight barges, industrial vessels, mobile offshore drilling units, offshore supply vessels, oil recovery, passenger (inspected and uninspected), passenger barges (inspected and uninspected), public freights, public tankship/barges, unclassified public vessels, research vessels, school ships, tank barges, tank ships, and towing vessels.

Testing Procedures	\$4,649	21	\$221
Totals	\$45,458	--	\$1,270

The total cost savings per vessel for the population of 316 vessels benefiting from this NPRM will vary depending on the requirements. For example, we estimate that 32 of the vessels (10 percent of population, rounded) would have savings due to a reduction in marine casualty reports (\$26) and an additional savings for the additional burden of reviewing the paperwork (\$1,010) in any given year. Therefore, a one-time savings could be \$1,036 for a vessel with only these two requirements. The minimum savings would be \$26 for a vessel that only had the requirement of preparing and submitting the marine casualty report. If a vessel would have had to complete all the requirements in Table 13, the maximum cost savings would be \$1,270. This maximum cost savings would be for a vessel with a marine casualty designated as an SMI that completed additional paperwork and reported the chemical test results to the OCMI. Therefore, the owner or operator of the 316 vessels impacted by this NPRM would have to have maximum annual revenues of \$2,600 to \$127,000 for this NPRM to have a positive impact greater than 1 percent.

Therefore, pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Coast Guard certifies that this NPRM would not have a significant economic impact on a substantial number of small entities because the increase in the monetized property damage threshold amounts reduces the reporting burden on crewmembers or vessel owners or operators who complete the marine casualty reports or perform the required chemical testing, as described above. This NPRM would reduce the hour burden associated with marine casualty reporting and chemical testing and would not adversely impact small entities as defined by the SBA in 13 CFR. 121.201. If you think

that your business, organization, or governmental jurisdiction qualifies as a small entity and that this NPRM would have a significant economic impact on it, please submit a comment to the Docket Management Facility at the address under the ADDRESSES section of this NPRM. In your comment, explain why you think it qualifies and how and to what degree this NPRM 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 NPRM so that they can better evaluate its effects on them and participate in the rulemaking. If you think that the NPRM would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult with the Coast Guard personnel listed under the FOR FURTHER INFORMATION CONTACT section of this NPRM. 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 NPRM would call for a collection of information under the Paperwork

Reduction Act of 1995 (44 U.S.C. 3501-3520). 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 collection, a description of those who must collect the information, and an estimate of the total annual burden follow.

Under the provisions of the NPRM, the Coast Guard would collect information from ship personnel who are involved in marine casualties resulting in more than \$72,000 in property damage, and serious marine incidents resulting in more than \$200,000 in property damage. This proposed requirement would amend an existing collection of information by effectively reducing the number of instances requiring information to be collected under OMB control number 1625-0001.

TITLE: Report of Marine Casualty & Chemical Testing of Commercial Vessel Personnel

OMB CONTROL NUMBER: 1625-0001.

SUMMARY OF THE COLLECTION OF INFORMATION:

This NPRM would require responses such as the preparation of written notification in the form of CG-2692 (series), and the processing of records. We use this information to identify pertinent safety lessons and to initiate appropriate steps for reducing the likelihood of similar accidents in the future. The collection of information would aid the regulated public in assuring safe practices.

NEED FOR INFORMATION: These reporting requirements permit the Coast Guard to initiate the immediate investigation of marine casualties as required by 46 U.S.C. 6301, in order to determine the causes of casualties and whether existing safety

standards are adequate, or whether new laws or regulations need to be developed. Receipt of a marine casualty report is often the only way in which the Coast Guard becomes aware of a marine casualty. It is therefore a necessary first step that provides the Coast Guard with the opportunity to determine the extent to which a casualty will be investigated.

PROPOSED USE OF INFORMATION: In the short term, the information provided in the report may also trigger corrective safety actions addressing immediate hazards or defective conditions, further investigations of mariner conduct or professional competence, or civil or criminal enforcement actions by the Coast Guard, other Federal agencies, or state and local authorities. In the long term, information contained in the report becomes part of the MISLE marine casualty database at Coast Guard Headquarters. The Coast Guard uses this information in MISLE to identify safety problems and long term trends, publish casualty summaries and annual statistics for public use, establish whether additional safety oversight or regulation is needed, measure the effectiveness of existing regulatory programs, and better focus limited Coast Guard marine safety resources.

DESCRIPTION OF THE RESPONDENTS: The respondents are those owners, agents, masters, operators, or persons in charge that notify the nearest Sector Office, Marine Inspection Office, or Coast Guard Group Office whenever a vessel is involved in a marine casualty. Specifically, this NPRM would affect those vessel crewmembers and marine employers who completed the necessary forms to report a marine casualty where the only outcome was property damage of \$25,000.01 through \$72,000, or an SMI with property damage of \$100,000.01 through \$200,000 (CG-2692 series).

NUMBER OF RESPONDENTS: We estimate the number of respondents would be 5,651 per year. This is a decrease of 316 respondents from an OMB-approved number of respondents of 5,967 per year. We estimate 250 of these marine casualty respondents would fall under the category of SMI respondents and be required to fill out an additional SMI written report (CG-2692B). This is a decrease of 21 respondents per year from 271 respondents.

FREQUENCY OF RESPONSE: The notification response would be required only if a marine casualty occurs as defined in 46 CFR 4.03-2 and 46 CFR 4.05-1.

BURDEN OF RESPONSE: For each response, we estimate that it takes about 1 hour for a vessel crewmember to complete all of the necessary forms (CG-2692 series). In addition, some marine casualty forms may undergo additional processing by the respondents. To account for this additional time, 10 percent of the forms submitted would have 10 hours of additional burden.²⁰ When a marine casualty is designated as an SMI, the marine employer must also complete an SMI written report (CG-2692B). We estimate that it takes about 0.5 hours for a respondent to complete an SMI written report (CG-2692B)

ESTIMATE OF TOTAL ANNUAL BURDEN: We estimate that the number of responses would decrease by 316 per year. At 1 hour per response, the reduced burden for submitting the responses would be 316 hours. In addition, 10 percent of these responses would have required additional processing of 10 hours per response, for a

²⁰ The Coast Guard estimates that it takes up to 1 hour to complete Form CG-2692 (series). However, we received public comments in 2013 on COI number 1625-0001 stating that some submitters take more time—up to 8 to 12 hours—to complete the form. Docket ID: USCG-2011-0710, <https://www.regulations.gov/docket?D=USCG-2011-0710>. The reason for this difference is that some entities have the form(s) reviewed by shore-side personnel, such as an attorney, prior to submission to the Coast Guard. The practice of having a form reviewed by an attorney is not required by Coast Guard regulation. While we believe that this does not typically occur, we adjusted our burden estimate to account for the added review.

reduction of an additional 320 burden hours.²¹ We estimate 21 of the responses would have been designated as an SMI. At 0.5 hours per SMI, the burden would be reduced by 11 hours (rounded). Therefore, this NPRM would decrease the total annual burden by 647 hours.²²

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

We ask for public comment on the proposed collection of information 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 collection of information, submit them both to OMB and to the Docket Management Facility where indicated under the ADDRESSES section of this NPRM, by the date under the DATES section.

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

E. Federalism

²¹ Due to rounding in the estimates, the current burden for the additional review is 5,970 hours. The burden under this NPRM is 5,650 hours, which is a reduction of 320 hours.

²² The current annual burden in COI 1625-0001 for completing the marine casualty forms, the additional processing for some respondents, and the time to complete the SMI forms is 12,073 hours. The annual burden under this NPRM is 11,426 hours, a reduction of 647 hours.

A rule has implications for federalism under E.O. 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 NPRM under E.O. 13132 and have determined that it is consistent with the fundamental federalism principles and preemption requirements as described in E.O.13132. Our analysis follows.

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 promulgated under the authority of 46 U.S.C. 6101 are within a field foreclosed from regulation by the States. *See U.S. v. Locke*, 529 U.S. 89, 115-16 (2000) (stating “Congress intended that the Coast Guard regulations be the sole source of a vessel's [marine casualty] reporting obligations.”).

This NPRM would change the property damage threshold amounts for reporting marine casualties and serious marine incidents, which is within the sole purview of the Coast Guard to regulate pursuant to 46 U.S.C. 6101 and the principles discussed in *Locke*. Thus, the proposed regulations are consistent with the principles of federalism and preemption requirements in E.O. 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, we recognize the key role that State and local governments may have in making regulatory determinations. Additionally, for rules with federalism implications and preemptive effect, E.O 13132 specifically directs agencies to consult with State and local governments during the rulemaking process. If you believe this NPRM has implications for federalism under

E.O. 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 NPRM would not result in such an expenditure, we do discuss the effects of this NPRM elsewhere in this preamble.

G. Taking of Private Property

This NPRM would 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 NPRM 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 NPRM under E.O. 13045 (“Protection of Children from Environmental Health Risks and Safety Risks”). This NPRM 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 NPRM does not have tribal implications under E.O. 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 NPRM under E.O. 13211 (“Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use”). We have determined that this NPRM 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, 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 NPRM does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

M. Environment

We have analyzed this NPRM 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 we 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 categorical exclusion determination is available in the docket where indicated under the "Public Participation and Request for Comments" section of this preamble.

This NPRM involves regulations concerning marine casualties and proposes to update the monetary threshold amounts for a reportable marine casualty as well as the definition of an SMI relative to property damage. Thus, we expect that this NPRM would likely be categorically excluded under Section 2.b.2 and figure 2-1, paragraph 34(d) of the Instruction. We seek any comments or information that may lead to the discovery of a significant environmental impact from this NPRM.

List of Subjects

46 CFR Part 4

Administrative practice and procedure, Drug testing, Investigations, Marine safety, National Transportation Safety Board, Nuclear vessels, Radiation protection, Reporting and recordkeeping requirements, Safety, Transportation.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 46 CFR part 4 as follows:

TITLE 46—SHIPPING

PART4—MARINE CASUALTIES AND INVESTIGATIONS

1. The authority citation for part 4 continues to read as follows:

Authority: 33 U.S.C. 1231; 43 U.S.C. 1333; 46 U.S.C. 2103, 2303a, 2306, 6101, 6301, and 6305; 50 U.S.C. 198; Department of Homeland Security Delegation No. 0170.1. Subpart 4.40 issued under 49 U.S.C. 1903(a)(1)(E).

2. In § 4.03-2, revise paragraph (a) (3) to read as follows:

§4.03-2 Serious marine incident.

(a) * * *

(3) Damage to property, as defined in §4.05-1(a)(7) of this part, in excess of \$200,000;

* * * * *

3. In § 4.05-1, revise paragraph (a)(7) to read as follows:

§4.05-1 Notice of marine casualty.

(a) * * *

(7) An occurrence causing property-damage in excess of \$72,000, this damage including the cost of labor and material to restore the property to its condition before the occurrence, but not including the cost of salvage, cleaning, gas-freeing, drydocking, or demurrage.

* * * * *

Dated: January 13, 2017

V. B. Gifford
Captain, U. S. Coast Guard,
Director of Inspections and Compliance

[FR Doc. 2017-01323 Filed: 1/19/2017 8:45 am; Publication Date: 1/23/2017]