FEDERAL MARITIME COMMISSION

46 CFR PARTS 502, 503, 520, 530, 535, 540, 550, 555, and 560

[Docket No. 20-18]

RIN 3072-AC83

Update of Existing User Fees

AGENCY: Federal Maritime Commission

ACTION: Direct final rule; request for comments.

SUMMARY: The Federal Maritime Commission (Commission) is updating its current user fees and amending the relevant regulations to reflect these updates. The Commission is also correcting an internal citation and clarifying the applicability of a fee in an existing regulation.

DATES: The rule is effective without further action on [INSERT DATE 75 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], unless significant adverse comments are filed prior to [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If significant adverse comments are received, the Commission will publish a timely withdrawal of the rule in the Federal Register no later than [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by Docket No. 20-18, by the following method:

- Email: secretary@fmc.gov. For comments, include in the subject line: “Docket 20-18, Comments on User Fee Update.” Comments should be attached to the email as a Microsoft Word or text-searchable PDF document. Both confidential and public versions of confidential comments and petitions should be submitted by email.
Instructions: For detailed instructions on submitting comments, including requesting confidential treatment of comments, and additional information on the rulemaking process, see the Public Participation heading of the Supplementary Information section of this document. Note that all comments received will be posted without change to the Commission’s website, unless the commenter has requested confidential treatment.

Docket: For access to the docket to read background documents or comments received, go to the Commission’s Electronic Reading Room at:

FOR FURTHER INFORMATION CONTACT: Rachel E. Dickon, Secretary. Phone: (202) 523-5725. Email: secretary@fmc.gov.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND

The Independent Offices Appropriation Act of 1952 (IOAA), 31 U.S.C. 9701, authorizes agencies to establish charges (user fees) for services and benefits that they provide to specific recipients. Under the IOAA, charges must be fair and based on the costs to the Government, the value of the service or thing to the recipient, the public policy or interest served, and other relevant facts. The IOAA also provides that regulations implementing user fees are subject to policies prescribed by the President, which are currently set forth in Office of Management and Budget (OMB) Circular A-25, User Charges (revised July 8, 1993).

Under OMB Circular A-25, fees must be established for Government-provided services that confer benefits on identifiable recipients over and above those benefits received by the general public. OMB Circular A-25 further provides that, generally, user fees must be sufficient to recover the full cost to the government for providing the service, resource, or good. Agencies
are advised to determine or estimate costs based on the best available records in the agency and to ensure that cost computations cover the direct and indirect costs to the agency of providing the service. OMB Circular A-25 also states that agencies are permitted to set user fees below costs if conditions justify the exception.

OMB Circular A-25 also directs agencies to review biennially: (1) user charges for agency programs to assure that existing charges are adjusted to reflect unanticipated changes in costs or market values; and (2) all other agency programs to determine whether fees should be assessed. The Commission last reviewed and updated its user fees in 2018. 83 FR 50290 (Oct. 5, 2018).

II. FEE ADJUSTMENTS

The Commission has reviewed its data on the time and cost involved in providing particular services to arrive at the updated direct and indirect labor costs for those services. As part of its assessment, the Commission utilized salaries of Full Time Equivalents (FTEs) assigned to fee-generating activities to identify the various direct and indirect costs associated with providing such services. Direct labor costs include clerical and professional time expended on an activity. Indirect labor costs include labor provided by bureaus and offices that provide direct support to the fee-generating offices in their efforts to provide services and include managerial and supervisory costs associated with providing a particular service. Other indirect costs include Government overhead costs, such as fringe benefits and other wage-related Government contributions contained in OMB Circular A-76, *Performance of Commercial Activities* (revised May 29, 2003) and office general and administrative expenses.\(^1\) The sum of

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\(^1\) OMB Circular A-76 lists the following indirect labor costs: Leave and holidays, retirement, worker’s compensation, awards, health and life insurance, and Medicare. General and administrative costs are expressed as a percentage of basic pay. These include all salaries and overhead such as rent, utilities, supplies, and equipment
these indirect cost components gives an indirect cost factor that is added to the direct labor costs of an activity to arrive at the fully distributed cost. A more detailed description of the Commission’s methodology has been included in the docket.

The Commission is increasing some fees to reflect salary increases for FTEs assigned to certain fee-generating services. For some services, an increase in processing or review time may account for all or part of the increase in the amount of the fees. For other services, the Commission is decreasing fees due to an overall reduced cost to provide those services or a decrease in overhead costs resulting from fewer FTEs employed by the Commission and fewer FTEs assigned to fee-generating activities.

The Commission is including two supporting documents providing detailed information on the updated user fee calculations in the docket. The first document shows the direct and indirect costs for each service for which a fee is assessed based on FY 2019 cost data. The second document compares the current fee amounts established in 2018 with the updated fee amounts reflecting the current costs, showing the percentage increase or decrease and change in dollar amount.

A. **Significant Change in User Fees**

The Commission briefly describes below changes in user fees that result in more than a 10 percent increase or decrease to a particular fee.

1. **Record Search and Document Duplication Fees (Part 503)**

   The hourly rate for document searches conducted by clerical/administrative personnel in response to Freedom of Information Act (FOIA) requests is decreasing from $52 per hour to $39 allocated to Commission offices that provide direct support to fee-generating offices such as the Office of Information Technology, Office of Human Resources, Office of Budget and Finance, and the Office of Management Services.
per hour. This updated fee reflects the lower average hourly salaries of the non-professional staff who conduct record searches. The minimum charge for a records search is increasing from $31 to $39. This updated rate reflects the higher average salary of the FTEs performing this service. The minimum duplication charge is also increasing from $6 to $7, which reflects the higher salaries of staff performing these services.

2. **Passenger Vessel Operator Performance and Casualty Certificates**

   *(Part 540)*

   The application fees for Certificates of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation are increasing as follows: from $3,272 to $4,332 for general applications; and from $1,652 to $2,180 for applications to add or substitute a vessel to the applicant’s fleet. For Certificates of Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages, the application fees are increasing as follows: from $1,441 to $1,889 for general applications; and from $718 to $921 for applications to add or substitute a vessel to the applicant’s fleet. These increases are primarily due to a change in grade level of the staff reviewing and processing these applications.

B. **Ocean Transportation Intermediary License Application Fees (Part 515)**

In Docket No. 18-11, the Commission revised 46 CFR part 515 relating to Ocean Transportation Intermediary (OTI) license applications. See 84 FR 62464 (Nov. 15, 2019). The Commission amended §§ 515.5(b) and 515.12(a) to eliminate the paper application option for OTI license applications. 84 FR at 62465, 62467. As noted in the 2018 direct final rule, the fees for the electronic filing of OTI applications will be addressed when the entire FMC-18 automated system is complete and operational and the costs of the system and its impact on the
review of OTI applications can be quantified. Because the automated system is not yet complete, the Commission is not revising the fees in Part 515.

C. **Other Revisions**

The Commission is making two minor revisions that are related to user fees. These additional changes update internal citations and clarify existing Commission regulations but do not substantively amend the meaning of the following sections.

1. **Update in § 502.27**

   The Commission is revising § 502.27 to reflect a change to an internal citation that resulted from a previous rulemaking proceeding.

2. **Clarification in § 550.402**

   The Commission is also revising § 550.402. In addition to updating the fee in the last sentence, the Commission is deleting the first sentence of § 550.402, which provides that other than petitions for rulemaking, requests for relief from conditions unfavorable to shipping in the foreign trade under 46 U.S.C. ch. 421 must be by written petition. This sentence was inadvertently included in a 2016 final rule amending the Commission’s user fees. 81 FR 59141 (Aug. 29, 2016). Because § 550.403 requires that all petitions under part 550 must include a recommended regulation for the Commission to promulgate, this sentence has created confusion as to whether written petitions are required. The Commission is therefore deleting this sentence to confirm that a petition seeking a regulation that adjusts or meets conditions unfavorable to shipping in the foreign trade of the United States must be in writing.

III. **PUBLIC PARTICIPATION**

   *How do I prepare and submit comments?*
Your comments must be written and in English. To ensure that your comments are correctly filed in the docket, please include the docket number of this document in your comments.

You may submit your comments via email to the email address listed above under ADDRESSES. Please include the docket number associated with this notice and the subject matter in the subject line of the email. Comments should be attached to the email as a Microsoft Word or text-searchable PDF document. Both non-confidential and confidential comments should be submitted by email.

How do I submit confidential business information?

The Commission will provide confidential treatment for identified confidential information to the extent allowed by law. If your comments contain confidential information, you must submit the following by email to the email address listed above under ADDRESSES:

- A transmittal letter requesting confidential treatment that identifies the specific information in the comments for which protection is sought and demonstrates that the information is a trade secret or other confidential research, development, or commercial information.
- A confidential copy of your comments, consisting of the complete filing with a cover page marked “Confidential-Restricted,” and the confidential material clearly marked on each page.
- A public version of your comments with the confidential information excluded. The public version must state “Public Version—confidential materials excluded” on the cover page and on each affected page and must clearly indicate any information withheld.

Will the Commission consider late comments?

The Commission will consider all comments received before the close of business on the comment closing date indicated above under DATES. Because this is a direct final rule that will
go into effect as specified in the DATES section in the absence of significant adverse comment received during the comment period, the Commission will not consider any comments filed after the comment closing date.

_How can I read comments submitted by other people?_

You may read the comments received by the Commission at the Commission’s Electronic Reading Room at the address listed above under ADDRESSES.

IV. RULEMAKING ANALYSES AND NOTICES

Direct Final Rule Justification

The Commission expects the user fee updates to be noncontroversial. Under the Administrative Procedure Act (APA), 5 U.S.C. 553(b)(B), a final rule may be issued without notice and comment when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest. This rule merely updates the user fee amounts for various services provided by the Commission based on a review of the costs to provide these services and makes minor corrections to some of the provisions specifying user fees. This rule makes no substantive changes to the Commission’s regulations nor does it affect any filing or other requirement. Accordingly, the Commission has determined that providing an opportunity for comment prior to publication of this direct final rule is unnecessary under 5 U.S.C. 553(b)(B).

This rule will therefore become effective on the date listed in the DATES section unless the Commission receives significant adverse comments within the specified period. The Commission recognizes that parties may have information that could impact the Commission's views and intentions with respect to the revised regulations, and the Commission intends to
consider any comments filed. The Commission will withdraw the rule by the date specified in the DATES section if it receives significant adverse comments.

We note that the scope of the rulemaking is limited to the amounts charged for Commission services and minor revisions to user-fee-related regulations, and any substantive changes to the underlying regulations governing those services or related requirements would be outside this scope. Accordingly, comments on the underlying regulations and related requirements will not be considered adverse. Filed comments that are not adverse may be considered for modifications to the Commission’s regulations at a future date. If no significant adverse comments are received, the rule will become effective without additional action by the Commission.

Congressional Review Act

The rule is not a “major rule” as defined by the Congressional Review Act, codified at 5 U.S.C. 801 et seq. The rule will not result in: (1) an annual effect on the economy of $100,000,000 or more; (2) a major increase in costs or prices; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based companies to compete with foreign-based companies. 5 U.S.C. 804(2).

Regulatory Flexibility Act

The Regulatory Flexibility Act (codified as amended at 5 U.S.C. 601–612) provides that whenever an agency promulgates a final rule after being required to publish a notice of proposed rulemaking under the APA (5 U.S.C. 553), the agency must prepare and make available a final regulatory flexibility analysis (FRFA) describing the impact of the rule on small entities. 5 U.S.C. 604. An agency is not required to publish a FRFA, however, for the following types of rules, which are excluded from the APA’s notice-and-comment requirement: interpretative rules;
general statements of policy; rules of agency organization, procedure, or practice; and rules for which the agency for good cause finds that notice and comment is impracticable, unnecessary, or contrary to public interest. See 5 U.S.C. 553(b).

As discussed above, the Commission has for good cause determined that notice and comment in this case is unnecessary. Therefore, the APA does not require publication of a notice of proposed rulemaking in this instance, and the Commission is not required to prepare a FRFA.

**National Environmental Policy Act**

The Commission’s regulations categorically exclude certain rulemakings from any requirement to prepare an environmental assessment or an environmental impact statement because they do not increase or decrease air, water or noise pollution or the use of fossil fuels, recyclables, or energy. 46 CFR 504.4. This rule updates user fees for services that fall within various categorical exclusions, and no environmental assessment or environmental impact statement is required. In particular, rulemakings related to the following fall under categorical exclusions: certification of financial responsibility of passenger vessels under part 540 (§ 504.4(a)(2)); promulgation of procedural rules under part 502 (§ 504.4(a)(4)); receipt of service contracts (§ 504.4(a)(5)); consideration of special permission applications under part 520 (§ 504.4(a)(6)); consideration of agreements (§ 504.4(a)(9)–(13), (30)–(35)); action taken on special docket applications under § 502.271 (§ 504.4(a)(19)); and action regarding access to public information under part 503 (§ 504.4(a)(24)).

**Executive Order 12988 (Civil Justice Reform)**

This rule meets the applicable standards in E.O. 12988 titled, “Civil Justice Reform,” to minimize litigation, eliminate ambiguity, and reduce burden.

**Paperwork Reduction Act**
The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) requires an agency to seek and receive approval from the Office of Management and Budget (OMB) before collecting information from the public. 44 U.S.C. 3507. The agency must submit collections of information in rules to OMB in conjunction with the publication of a rule. 5 CFR 1320.11. This rule does not contain any collections of information as defined by 44. U.S.C. 3502(3) and 5 CFR 1320.3(c).

Regulation Identifier Number

The Commission assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified Agenda). The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. You may use the RIN contained in the heading at the beginning of this document to find this action in the Unified Agenda, available at http://www.reginfo.gov/public/do/eAgendaMain.

List of Subjects

46 CFR part 502

Administrative practice and procedure, Claims, Equal access to justice, Investigations, Lawyers, Maritime carriers, Penalties, Reporting and recordkeeping requirements.

46 CFR part 503

Classified information, Freedom of Information, Privacy, Sunshine Act.

46 CFR part 520

Common carrier, Freight, Intermodal transportation, Maritime carriers, Reporting and recordkeeping requirements.

46 CFR part 530

Freight, Maritime carriers, Report and recordkeeping requirements.
For the reasons set forth above, the Federal Maritime Commission amends 46 CFR parts 502, 503, 520, 530, 535, 540, 550, 555, and 560 as follows:

PART 502-RULES OF PRACTICE AND PROCEDURE

1. The authority citation for part 502 is amended to read as follows:


2. Amend § 502.27 by revising the last sentence in paragraph (a)(1) to read as follows:

§ 502.27 Persons not attorneys at law.

   (a)(1) * * * * Applications by persons not attorneys at law for admission to practice before the Commission shall be made on the forms prescribed therefor, which may be
obtained from the Secretary of the Commission, and shall be addressed to the Federal Maritime Commission, Washington, DC, 20573, and shall be accompanied by a fee as required by § 503.50(d) of this chapter.

3. Amend § 502.62 by revising paragraph (a)(6) to read as follows:

§ 502.62 Private party complaints for formal adjudication.

(a) * * *

(6) Filing fee. The complaint must be accompanied by remittance of a $288 filing fee.

4. Amend § 502.93 by revising paragraph (a)(3) to read as follows:

§ 502.93 Declaratory orders and fee.

(a) * * *

(3) Petitions must be accompanied by remittance of a $306 filing fee.

5. Amend § 502.94 by revising paragraph (b) to read as follows:

§ 502.94 Petitions-general and fee.

(b) Petitions must be accompanied by remittance of a $306 filing fee. [Rule 94.]

6. Amend § 502.271 by revising paragraph (d)(5) to read as follows:

§ 502.271 Special docket application for permission to refund or waive freight charges.

(d) * * *

(5) Applications must be accompanied by remittance of a $115 filing fee.
7. Amend § 502.304 by revising the last sentence of paragraph (b) to read as follows:

§ 502.304 Procedure and filing fee.

(b) * Such claims must be accompanied by remittance of a $112 filing fee.

PART 503-PUBLIC INFORMATION

8. The authority citation for part 503 continues to read as follows:


9. Amend § 503.50 by revising paragraphs (c)(1)(i) and (ii); the first sentence of paragraph (c)(2); and paragraphs (c)(3)(ii) and (iii), (c)(4), and (d) to read as follows:

§ 503.50 Fees for services.

(c) * (i) Search will be performed by clerical/administrative personnel at a rate of $39 per hour and by professional/executive personnel at a rate of $77 per hour.

(ii) Unless an exception provided in paragraph (b)(2) of this section applies, the minimum charge for record search is $39.

(2) Charges for review of records to determine whether they are exempt from disclosure under § 503.33 must be assessed to recover full costs at the rate of $108 per hour. * * *
(3) * * * *

(ii) By Commission personnel, at the rate of ten cents per page (one side) plus $39 per hour.

(iii) Unless an exception provided in paragraph (b)(2) of this section applies, the minimum charge for copying is $7.

* * * * *

(4) The certification and validation (with Federal Maritime Commission seal) of documents filed with or issued by the Commission will be available at $111 for each certification.

(d) Applications for admission to practice before the Commission for persons not attorneys at law must be accompanied by a fee of $206 pursuant to § 502.27 of this chapter.

10. Amend § 503.69 by revising paragraph (b)(2) to read as follows:

§ 503.69 Fees.

* * * * * *

(b) * * *

(2) The certification and validation (with Federal Maritime Commission seal) of documents filed with or issued by the Commission will be available at $111 for each certification.

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PART 520-CARRIER AUTOMATED TARIFFS

11. The authority citation for part 520 continues to read as follows:

12. Amend § 520.14 by revising the last sentence of paragraph (c)(1) to read as follows:

§ 520.14 Special permission.

* * * * *

(c) * * *

(1) * * * Every such application must be submitted to the Bureau of Trade Analysis and be accompanied by a filing fee of $307.

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PART 530-SERVICE CONTRACTS

13. The authority citation for part 530 continues to read as follows:


14. Amend § 530.10 by revising paragraph (c) introductory text to read as follows:

§ 530.10 Amendment, correction, cancellation, and electronic transmission errors.

* * * * *

(c) Corrections. Requests shall be filed, in duplicate, with the Commission’s Office of the Secretary within one-hundred eighty (180) days of the contract’s filing with the Commission, accompanied by remittance of a $97 service fee, and must include:

* * * * *

PART 535-OCEAN COMMON CARRIER AND MARINE TERMINAL OPERATOR AGREEMENTS SUBJECT TO THE SHIPPING ACT OF 1984

15. The authority citation for part 535 continues to read as follows:


16. Amend § 535.401 by revising paragraph (g) to read as follows:
§ 535.401 General requirements.

(g) The filing fee is $3,454 for new agreements and any agreement modifications requiring Commission review and action; $526 for agreements processed under delegated authority (for types of agreements that can be processed under delegated authority, see § 501.27(e) of this chapter); $296 for carrier exempt agreements; and $87 for terminal exempt agreements.

PART 540-PASSENGER VESSEL FINANCIAL RESPONSIBILITY

17. The authority citation for part 540 continues to read as follows:


18. Amend § 540.4 by revising paragraph (e) to read as follows:

§ 540.4 Procedure for establishing financial responsibility.

(e) An application for a Certificate (Performance), excluding an application for the addition or substitution of a vessel to the applicant’s fleet, must be accompanied by a filing fee remittance of $4,332. An application for a Certificate (Performance) for the addition or substitution of a vessel to the applicant’s fleet must be accompanied by a filing fee remittance of $2,180. Administrative changes, such as the renaming of a vessel will not incur any additional fees.

19. Amend § 540.23 by revising the last two sentences of paragraph (b) to read as follows:
§ 540.23 Procedure for establishing financial responsibility.

(b) An application for a Certificate (Casualty), excluding an application for the addition or substitution of a vessel to the applicant’s fleet, must be accompanied by a filing fee remittance of $1,889. An application for a Certificate (Casualty) for the addition or substitution of a vessel to the applicant’s fleet must be accompanied by a filing fee remittance of $921.

PART 550-REGULATIONS TO ADJUST OR MEET CONDITIONS UNFAVORABLE TO SHIPPING IN THE FOREIGN TRADE OF THE UNITED STATES

20. The authority citation for part 550 continues to read as follows:


21. Revise § 550.402 to read as follows:

§ 550.402 Filing of petitions.

All requests for relief from conditions unfavorable to shipping in the foreign trade must be by written petition. An original and fifteen copies of a petition for relief under the provisions of this part must be filed with the Secretary, Federal Maritime Commission, Washington, DC 20573. The petition must be accompanied by remittance of a $306 filing fee.

PART 555-ACTIONS TO ADDRESS ADVERSE CONDITIONS AFFECTING U.S.-FLAG CARRIERS THAT DO NOT EXIST FOR FOREIGN CARRIERS IN THE UNITED STATES
22. The authority citation for part 555 continues to read as follows:


23. Amend § 555.4 by revising the last sentence of paragraph (a) to read as follows:

§ 555.4 Petitions.

(a) * * * The petition must be accompanied by remittance of a $306 filing fee.

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PART 560- ACTIONS TO ADDRESS CONDITIONS UNDULY IMPAIRING ACCESS OF U.S.-FLAG VESSELS TO OCEAN TRADE BETWEEN FOREIGN PORTS

24. The authority citation for part 560 continues to read as follows:


25. Amend § 560.3 by revising the last sentence of paragraph (a)(2) to read as follows:

§ 560.3 Petitions for relief.

(a) * * *

(2) * * * The petition must be accompanied by remittance of a $306 filing fee.

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By the Commission.