# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

**[CA 238–0246b; FRL–6851–9]**

### Revisions to the California State Implementation Plan, South Coast Air Quality Management District, Bay Area Air Quality Management District

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing to approve revisions to the South Coast Air Quality Management District (SCAQMD) and Bay Area Air Quality Management District (BAAQMD) portions of the California State Implementation Plan (SIP). These revisions concern volatile organic compound (VOC) emissions from graphic arts printing and coating operations. We are proposing to approve local rules to regulate these emission sources under the Clean Air Act as amended in 1990 (CAA or the Act).

**DATES:** Any comments on this proposal must arrive by October 13, 2000.

**ADDRESSES:** Mail comments to Andy Steckel, Rulemaking Office Chief (AIR–4), U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105–3901.

You can inspect copies of the submitted SIP revisions and EPA's technical support documents (TSDs) at our Region IX office during normal business hours. You may also see copies of the submitted SIP revisions at the following locations:

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 ''L'' Street, Sacramento, CA 95812.

South Coast Air Quality Management District, 21865 E. Copley Dr. Diamond Bar, CA 91765–4182

Bay Area Air Quality Management District, 939 Ellis Street San Francisco, CA 94109–7799.

**FOR FURTHER INFORMATION CONTACT:** Max Fantillo, Rulemaking Office (Air–4), U.S. Environmental Protection Agency, Region IX, (415) 744–1183.

**SUPPLEMENTARY INFORMATION:** This proposal addresses the following local rules: SCAQMD 1130 and BAAQMD 8.20. In the Rules and Regulations section of this **Federal Register**, we are approving these local rules in a direct final action without prior proposal because we believe these SIP revisions are not controversial. If we receive adverse comments, however, we will publish a timely withdrawal of the direct final rule and address the comments in subsequent action based on this proposed rule. We do not plan to open a second comment period, so anyone interested in commenting should do so at this time. If we do not receive adverse comments, no further activity is planned. For further information, please see the direct final action.

Dated: July 20, 2000.

**Felicia Marcus,**

*Regional Administrator, Region IX.*

[FR Doc. 00–23373 Filed 9–12–00; 8:45 am]

BILLING CODE 6560–50–P

## DEPARTMENT OF TRANSPORTATION

### Coast Guard

### 46 CFR Part 401

**[USCG–1999–6098]**

**RIN 2115–AF91**

### Great Lakes Pilotage Rates

**AGENCY:** Coast Guard, DOT.

**ACTION:** Supplemental notice of proposed rulemaking and notice of public meeting.

**SUMMARY:** The Coast Guard amends the Notice of Proposed Rulemaking (NPRM) published on April 14, 2000. We are proposing changes in the rates currently charged for pilotage on the Great Lakes by increasing pilotage rates in Area 1 by 4%; decreasing rates in Area 2 by 3%; decreasing rates in Area 4 by 2%; decreasing rates in Area 5 by 6%; leaving rates unchanged in Area 6; increasing rates in Area 7 by 9%; decreasing rates in Area 8 by 4%; and decreasing mutual rates by 1%. The average change in rates for District 1 was an increase of 2%, for District 2 an average decrease of 4%, and rates remained unchanged in District 3. This equates to an average decrease of 1% across all Districts.

In response to comments received on the Notice of Proposed Rulemaking (NPRM) published in the **Federal Register** (65 FR 20110) on April 14, 2000 and changes made to the NPRM, the Coast Guard is publishing a Supplemental Notice of Proposed Rulemaking (SNPRM) allowing all interested parties an additional 60 days to comment.

The pilotage rate adjustments proposed in this SNPRM are different from the rates proposed in the NPRM, because adjustments have been made based on comments received in response to the NPRM. These adjustments are discussed in the section of this SNPRM entitled ''Discussion of Comments and Changes.''

**DATES:** Comments and related material must reach the Docket Management Facility on or before November 13, 2000.

**ADDRESSES:** To make sure your comments and related material are not entered more than once in the docket, please submit them by only one of the following means:

(1) By mail to the Docket Management Facility (USCG–1999–6098), U.S. Department of Transportation, room PL–401, 400 Seventh Street SW., Washington, DC 20590–0001.

(2) By delivery to room PL–401 on the Plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202–366–9329.

(3) By fax to the Docket Management Facility at 202–493–2251.

(4) Electronically through the Web Site for the Docket Management System at http://dms.dot.gov.

The Docket Management Facility maintains the public docket for this SNPRM. Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at room PL–401 on the Plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also find this docket on the Internet at http://dms.dot.gov.

**FOR FURTHER INFORMATION CONTACT:** For questions on this SNPRM, call Mr. Tom Lawler, Chief Economist, Office of Great Lakes Pilotage, Commandant (G–MW–1), U.S. Coast Guard, at 202–267–1241, or by facsimile 202–267–4700. For questions on viewing or submitting material to the docket, call Dorothy Beard, Chief, Dockets, Department of Transportation, telephone 202–366–9329.

**SUPPLEMENTARY INFORMATION:**

## Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (USCG–1999–6098), indicate the specific section of this document to which each comment applies, and give the reason for each comment. You may submit your comments and material by mail, hand delivery, fax, or electronic means to the Docket Management Facility at the address under **ADDRESSES;** but please submit your comments and material by only one means. If you submit them by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit them by mail and would like to know they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this SNPRM in view of them.

## Public Meeting

We plan to hold a public meeting to allow for additional comments on the SNPRM for Great Lakes Pilotage Rates. The scope of the meeting is limited only to matters addressed in the SNPRM.

*Date:* The public meeting will be held Thursday, October 12, 2000, at 10:30 am and will continue until all business is complete.

*Address:* The public meeting will be held in room 2415, U.S. Coast Guard Headquarters, 2100 Second Street, SW, Washington, DC.

At that time, public comments regarding this rulemaking will be heard. In addition, the annual Public Meeting on Great Lakes Pilotage is scheduled for January 2001, where we will discuss the Ratemaking Methodology and the 1999 Rate Review.

## Information on Services for Individuals with Disabilities

For information on facilities or services for people with disabilities, or to request special assistance at the meeting Contact Tom Lawler, Chief Economist, Great Lakes Pilotage (G-MW–1), U.S. Coast Guard, at 202–267–1241, or by facsimile 202–267–4700 as soon as possible.

## Regulatory History

On May 9, 1996, the Department of Transportation published a final rule in the **Federal Register** (61 FR 21081). The rule explained the methodology used to set the rates for pilots working in the Great Lakes.

On April 14,2000, the Coast Guard published a Notice of Proposed Rulemaking in the **Federal Register** (65 FR 20110). The NPRM announced the results of the 1999 Rate Review and requested comments.

The Coast Guard is required by 46 CFR 404.1 (b) to conduct an annual review of rates for pilotage in the Great Lakes. This SNPRM discusses the results of the 1999 Rate Review.

## Discussion of Comments and Changes

In response to the requests for comments on the 1999 Rate Review, a total of eight written comment letters were received. Four of the comment letters were from the District Pilots' Associations, one from the District 2 Pilots' Association accounting firm, one from the American Pilot Association, one from the Grand Lodge International Ship Masters' Association, and one from the Atlantic Coast District Council of the International Longshoremen's Association. All of the commenters addressed issues that pertained to the 1999 Rate Review, while some went beyond the scope of the solicitation regarding the methodology used to determine pilotage rates. The discussion of comments contained herein addresses only issues raised in the 1999 Rate Review.

Four commenters, the District 1 and 2 Pilots' Associations, the American Pilots' Association, and the Grand Lodge International Ship Masters' Association, requested a Public Meeting to discuss the Ratemaking Methodology. The Ratemaking Methodology and the 1999 Rate Review are agenda items for the annual Public Meeting on Great Lakes Pilotage scheduled for January 2001. The October Public Meeting will only discuss the proposed changes to the current rates charged for pilotage on the Great Lakes.

Five commenters, each of the three District Pilots' Associations, District 2's accounting firm, and the Grand Lodge International Ship Masters' Association, disagreed with the Coast Guard's decision to disallow legal expenses not directly related to the provision of pilotage services. In September 1999, the Director requested each of the District Pilots' Associations to justify their legal expenses, in that they directly pertained to and were necessary for the provision of pilotage services. District 1 provided justification for $1,244. Districts 2 and 3 did not provide any justification. Furthermore, a review of reports filed with the office of the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995 reveals that in 1997, the District 1 and District 3 Pilots' Associations paid $40,000 and $80,000 respectively in lobbying fees. Lobbying fees are specifically excluded as a recognized expense in accordance with 46 CFR § 404.5. Additionally, it has been determined that $16,510 of professional fees reported by District 3 were not related to legal expenses and have been reinstated in District 3's expense base.

Three commenters, the District 2 Pilots' Association, their accounting firm, and the Atlantic Coast District of the International Longshoremen's Association, disagreed on the disallowance of pilot training expenses in District 2. In summary, they stated that because these expenses were recognized in the past, they should not be disallowed. They claimed that until a pilot is registered, he is, in fact, being trained and during this time, the Pilot Association compensates temporarily registered pilots. The approval of these expenses in the 1998 Rate Review was an oversight on the part of the Coast Guard and they should not have been approved. This is due to the fact that these expenses were not for instructional courses or material, which would have been approved, but actually represented compensation or salary paid directly to temporarily registered pilots in District 2. Compensation for temporarily registered pilots is fully accounted for in the Ratemaking Methodology, as explained in Appendix A to 46 CFR Part 404. Utilizing this methodology to determine pilotage rates in District 2: the total projected number of pilots required in District 2, both fully registered and temporarily registered, is multiplied by the individual target pilot compensation for that particular year. This results in the total target pilot compensation required for District 2. Total target pilot compensation is then added to a projection of total operating expenses based on projected bridge hours to provide a projection of total expenses for the District (Total Target Pilot Compensation + Projected Operating Expenses). This total is then compared to revenue projections based on projected bridge hours for the District to determine if the pilotage rates should be increased or decreased. Accounting for temporarily registered pilot compensation as a training expense inflates the District's expense base in that total pilot compensation is accounted for separately and then combined with operating expenses. This is evident in the fact that in 1998, pilots in District 2 exceeded their compensation targets by 16%.

Seven commenters, the three pilotage Districts or their respective representatives, the accounting firm for District 2, the American Pilots' Association, the Atlantic Coast District of the International Longshoremen's Association, and the Grand Lodge International Ship Masters' Association, all disagreed with the use of 1997 expense data and 1998 revenues to determine a pilotage rate for 1999. The lobbying firm representing District 1 further questioned the procedure because of its belief that 1998 expense data had been available to the Coast Guard for well over a year.

The preliminary fieldwork for the Director's 1998 audit of the Great Lakes Pilotage Districts was completed in mid October 1999. The preliminary draft of the final report was delivered to the Coast Guard mid December 1999. The 1999 Rate Review was finalized in August of 1999 and routed for review and clearance within the Coast Guard in mid September 1999. The 1999 Rate Review followed the methodology prescribed in Appendix A to 46 CFR Part 404. 1997 expenses for each of the pilotage Districts were projected forward to 1999 based on the actual change in traffic from 1997 to 1998 and the projected change in bridge hours or traffic for 1999, based on economic surveys. Economic surveys from industry and the St. Lawrence Seaway Development Corporation indicated that 1999 would experience an overall 5% reduction in bridge hours and traffic from 1998 levels. In 1998, the actual bridge hour data and revenues for 1998 in each of the pilotage areas became available to the Coast Guard in May 1999, through the submission of unqualified audited 1998 financial data by each of the District's Pilot associations, as required by 46 CFR § 403.300. A review of the financial data indicated that on average, revenues and bridge hours throughout the Great Lakes increased 30% in 1998 over 1997 levels. The actual 1998 observed increase for each District was then combined with the projected 5% decrease in traffic for 1999 to establish an overall change in traffic from 1997 to 1999. For example, in 1998, District 1 experienced an average 36% increase in bridge hours over 1997. Considering the projected 5% reduction in 1999 from 1998 levels, this resulted in an overall projected increase of 31% in 1999 over 1997 levels ($36\% - 5\% = 31\%$) for District 1. For the 1999 rulemaking, each District's approved 1997 expenses were adjusted for inflation (Approved Expenses x (1+Inflation Factor)) multiplied by the aggregate percentage change of traffic projected for each District over 1997 levels. We then factored in the percentage of Association expenses that change in relation to a change in traffic (pilotage hours). Analysis indicates that 57% of Association expenses are affected by a change in pilotage hours. For example, in District 1, pilotage hours for 1999 are projected to increase 31% over 1997 levels, which is multiplied by 57% ($.31 \times .57 = .18$) to project that District 1's operating expenses should increase 18% in response to the projected increase in pilotage hours for 1999 from 1997 levels. Therefore, the following formula was utilized to project 1999 expenses ((Approved 1997 expenses $\times$ (1+Inflation Factor) $\times$ (1+(.31 x 57)). In the case of District 1, in order to incorporate approved transportation and training costs into the rate, an additional $86,000 was added to District 1's expense base for the 1999 ratemaking.

Two Commenters, the District 2 Pilots' Association and their accounting firm, requested an explanation of why and how their pilot boat expenses were reduced for the 1999 Rate Review. 46 CFR Part § 404.5 establishes the guidelines for the Director of Great Lakes Pilotage in determining whether expenses will be recognized in the ratemaking process. It specifies that each expense item be evaluated to determine whether it is necessary for the provision of pilotage service and if so, whether it is reasonable, that is, is it comparable or similar to the expenses paid by others in the maritime industry for the same service or item. Pilot boat expenses in District 2 average $176 per trip, whereas in District 1, they average $110 and in District 3 they average $83 per trip. District 3 contracts all pilot boat services while Districts 1 and 2 utilize affiliated companies owned totally or partially by registered pilots, to provide pilot boat services. These affiliated companies reported a net income of $4,520 in District 1 and $70,506 in District 2, in 1997. In District 2 Erie Leasing's net income of $70,506 represents a 19% return on total equipment and property less land of $372,270. To bring pilot boat expenses in line with Districts 1 and 3, the Director is reducing District 2's expense base by $45,602. This deduction is intended to offset Erie Leasing's net income of $70,506 from operations. This, in effect, reduces Erie Leasing's net income to $24,904, which represents a 6.69% return on Erie Leasing's property and equipment. When this offset is applied against the 1997 pilot boat expenses, it reduces the pilot boat cost in District 2 to $154 per trip.

Two commenters, the District 1 Pilots' Association and District 2's accounting firm, disagreed with the results of the computation that determined the number of pilots required for their respective Districts. In District 1 they disagreed with the number of pilots required in Area 2, Lake Ontario. 46 CFR Part 404 clearly establishes the methodology in determining the number of pilots required for each area: ''The basis for the number of pilots needed in each area of undesignated water is established by dividing the projected bridge hours by 1800. In 1998, District 1 Lake Pilots recorded a total of 6,335 bridge hours on the undesignated waters of Lake Ontario. The 1999 Rate Review projected a 5% decrease resulting in a projection of 6,018 bridge hours for 1999. The number of pilots required is then determined by dividing 6,018 by 1800; the result is 3.34, which for the purposes of the 1999 Rate Review, was rounded up to 4 pilots. District 2's accounting firm disagreed with the standard of 1800 hours used to determine the number of pilots in undesignated waters, and included delay, detention and pilot travel hours together with bridge hours to calculate the number of pilots required in District 2. Again 46 CFR Part 404 established *1800 bridge hours* (detention, delay, and travel hours are not included) as the work standard used to determine the number of pilots required on undesignated waters.

One commenter, the District 2 Pilots' Association, questioned the deduction of $3,328 in ''combined expenses.'' As explained in note 3 of the 1997 Director's audit, of $3,328 incurred legal expenses, one half, $1,664, was deducted because expenses relating to lobbying are not allowed for ratemaking purposes, 46 CFR, Part 404, § 404.5.

Two commenters, the District 2 Pilots' Association and District's 2 accounting firm, disagreed with the deduction of daily subsistence amounts that did not conform to IRS guidelines. 46 CFR

§ 404.5 establishes IRS guidelines (IRS publication 17 ''Your Federal Income Tax'') as one of the tests used to determine the reasonableness of an expense. A copy of IRS publication 17 can be obtained by contacting the IRS at 1–800–829–1040, or by visiting their Web Site at *www.IRS.gov or www.IRS.ustreas.gov.*

One commenter, District 2, requested a copy of the 1997 audit. A copy of the 1997 Director's Audit was mailed to District 2 in June 1999. A copy of the Director's audit is also included as part of the docket supporting this rulemaking (USCG–1999–6098).

One commenter, District 2's accounting firm, disagreed with the independent auditor's reduction from the expense base of $947 for business promotion, $400 in contributions, and $1,988 as uniforms expense. These deductions are justified because these expenses are not directly related to the provision of pilotage (46 CFR § 404.5).

One commenter, District 2's accounting firm, disagreed with the independent auditor's reduction of $4,800 a year in total rental expenses for a six bedroom house, rented to the Pilots' Association by Erie Leasing, an affiliated company. The house is used as temporary accommodations in Port Colborn. The auditor's adjustment is based on the fact that similar accommodations in the area rent an average $400 a month less than the Association pays on a monthly basis.

One commenter, the District 2 Pilots' Association, disagreed with the independent auditor's reduction of a portion of the expenses related to Association dues paid to the American Pilots' Association. This deduction is justified because the reduction consists of dues associated with lobbying. Expenses related to lobbying are not recognized for ratemaking purposes (46 CFR § 404.5).

One commenter, the representative for the District 1 Pilots' Association, disagreed with the proposed amount of $45,000 budgeted for car service and recommended $56,000. The recommendation is valid and District 1's expense base is adjusted accordingly to reflect an expected car service expense of $56,000.

One commenter, the representative for the District 1 Pilots' Association, disagreed with the projected 2.8% decrease in operating expenses for the 1999 navigational season in Area 2, considering the 23% increase in bridge hours experienced from 1997 to 1998. This 2.8% decrease is consistent with the data, because the number of pilots authorized in Area 2 in 1997 was in excess of what was required to operate efficiently in the area. In both 1997 and 1998, five pilots were authorized in Area 2. In 1997 and 1998, the actual bridge hours worked in Area 2 were 4,580 and 6,335 hours respectively. The methodology for determining the number of pilots required, as explained in 46 CFR Part 404, results in a requirement of 2.6 or 3 pilots in 1997, and 3.5 or 4 pilots in 1998. Based on bridge hour projections for 1999, the 1999 Rate Review calculated that four pilots are required in Area 2. This equates to a reduction of approximately $103,644 in pilot compensation, thus a reduction in expenses or total revenue required for Area 2.

Two commenters, the District 2 Pilots' Association accounting firm and the District 3 Pilots' Association, disagreed with the use of the 2.1% inflation factor used in the calculations for the 1999 Rate Review, as the figure failed to account for inflation experienced during the 1999 navigational season. Upon further review, the Coast Guard agrees with the commenter and has adjusted the expense base of each of the Pilotage Districts to reflect the change in the Consumer Price Index from the close of the 1997 season to December 1999. This equates to a 3.1% inflation factor.

Two commenters, the District 2 and District 3 Pilots' Associations, disagreed with the Coast Guard's calculation of Investment Base for Return on Investment purposes, stating that it should take into account all assets employed in support of pilotage operations. One commenter stated the rate of return should be annualized, since the rates were last adjusted in 1997. In calculating the rate of return the Coast Guard only considers property and equipment, because cash assets held on deposit earn interest. Inclusion of cash assets would encourage Pilot Associations to unnecessarily inflate their Investment Base and provide an additional source of return not available to other private businesses. Analysis of pilot associations' Investment Base indicated that since the concept of Return on Investment was introduced into the ratemaking methodology, Districts 2 and 3 greatly increased their Investment Base. In District 2, the Investment Base rose from $265,488 in 1995 to $413,998 in 1996, of which only $116,041 was property and equipment. In District 3, the Investment Base soared from $119,823 in 1995 to $994,896 in 1996, and only $25,583 was property and equipment. The Coast Guard factored Return on Investment (ROI) into each of its Rate Reviews since the rates were last set in 1997. The 1998 Review considered the appropriate ROI and calculated that rates should be lowered an average of 3%. The 1999 Rate Review utilized a 6.69% ROI to determine rates. However, in view of the fact that the 1999 rates will apply for a portion of the 2000 navigational season, the ROI for the 1999 Rate Review has been adjusted to reflect the 1999 average return on high grade corporate bonds of 7.04%. The expense base for each District will be adjusted accordingly for the purposes of this SNPRM.

One commenter, the District 2 accounting firm, commented on the fact that the Coast Guard did not reply to their comments on the 1998 Rate Review. Responses to all comments received on the 1998 Rate Review were drafted. They were not published because the Coast Guard determined that the 1997 rates fell within an acceptable range and decided not to change the rates, even though the 1998 Rate Review called for an average reduction in rates of 3%.

## Summary of Proposed Changes

The changes discussed above are summarized in Tables A, B, and C below.

TABLE A.—DISTRICT 1

| Methodology | Area 1 St. Lawrence River | Area 2 Lake Ontario | Total District 1 |
|---|---|---|---|
| Step 1, Projection of operating expenses | $296,527 | $252,597 | $549,123 |
| Step 2, Projection of target pilot compensation | 1,088,262 | 414,576 | 1,502,838 |
| Step 3, Projection of revenue | 1,333,991 | 687,207 | 2,021,198 |
| Step 4, Calculation of investment base | 0 | 0 | 0 |
| Step 5, Determination of target return on investment | 7.04% | 7.04% | 7.04% |
| Step 6, Adjustment determination | 1,384,789 | 667,173 | 2,051,961 |

TABLE A.—DISTRICT 1—Continued

| Methodology | Area 1 St. Lawrence River | Area 2 Lake Ontario | Total District 1 |
|---|---|---|---|
| Step 7, Adjustment of pilotage rates | 1.04 | .97 | 1.02 |

TABLE B.—DISTRICT 2

| Methodology | Area 4 Lake Erie | Area 5 South East Shoal to Port Huron Michigan | Total District 2 |
|---|---|---|---|
| Step 1, Projection of operating expenses | $612,603 | $521,847 | $1,134,451 |
| Step 2, Projection of target pilot compensation | 518,220 | 1,243,728 | 1,761,948 |
| Step 3, Projection of revenue | 1,156,057 | 1,886,198 | 3,042,255 |
| Step 4, Calculation of investment base | 45,397 | 71,006 | 116,403 |
| Step 5, Determination of target return on investment | 7.04% | 7.04% | 7.04% |
| Step 6, Adjustment determination | 1,134,019 | 1,770,574 | 2,904,593 |
| Step 7, Adjustment of pilotage rates | .98 | .94 | .96 |

TABLE C.—DISTRICT 3

| Methodology | Area 6 Lakes Huron and Michigan | Area 7 St. Mary's River | Area 8 Lake Superior | Total District 3 |
|---|---|---|---|---|
| Step 1, Projection of operating expenses | $663,265 | $131,402 | $456,777 | $1,251,445 |
| Step 2, Projection of target pilot compensation | 1,140,084 | 621,864 | 829,152 | 2,591,100 |
| Step 3, Projection of revenue | 1,797,967 | 688,583 | 1,338,912 | 3,825,462 |
| Step 4, Calculation of investment base | 11,997 | 4,595 | 8,934 | 25,526 |
| Step 5, Determination of target return on investment | 7.04% | 7.04% | 7.04% | 7.04% |
| Step 6, Adjustment determination | 1,808,194 | 753,589 | 1,286,558 | 3,816,392 |
| Step 7, Adjustment of pilotage rate | 1.00 | 1.09 | .96 | 1.00 |

As summarized in tables A, B, and C above, the Coast Guard proposes changes to the pilotage rates found in 46 CFR §§ 404.405–410 by increasing pilotage rates in Area 1 by 4%, decreasing rates in Area 2 by 3%, decreasing rates in Area 4 by 2%, decreasing rates in Area 5 by 6%, leaving rates unchanged in Area 6, increasing rates in Area 7 by 9%, decreasing rates in Area 8 by 4% and decreasing mutual rates by 1%.

**Regulatory Evaluation**

This SNPRM is not a ''significant regulatory action'' under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not ''significant'' under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040, February 26, 1979).

We expect the economic impact of this SNPRM to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary. This proposed rule would make minimal adjustments to the pilotage rates for the Great Lakes 2000 shipping season. The Coast Guard used the ratemaking methodology found in 46 CFR part 404, Appendix A, to identify adjustments necessary to achieve target pilot compensation, by establishing these new rates for pilotage. This ratemaking methodology is designed to annually review pilotage rates in order to avoid large fluctuations in pilot compensation, thus avoiding large changes in pilotage rates. This SNPRM provides a step-by-step economic guide to show how the pilotage rates would be changed. The results of this rulemaking are in keeping with the Coast Guard's desire for a safe, reliable and efficient pilotage system.

**Small Entities**

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we considered whether this SNPRM 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.

For the Great Lakes region, small entities potentially impacted by this proposed rulemaking include shippers, Great Lakes ports, carriers, and shipping agents. The proposed decreases in Great Lakes pilotage rates are not expected to significantly impact small businesses because this rulemaking actually reduces the financial burden on small entities and on the general public.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this SNPRM 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 rule would economically affect it.

**Assistance for Small Entities**

Under section 213(a) of the Small Business Regulatory Enforcement

Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this SNPRM so that they can better evaluate its effects on them and participate in the rulemaking. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult Tom Lawler, Chief Economist, Great Lakes Pilotage (G–MW–1), U.S. Coast Guard, at 202–267–1241, or by facsimile 202–267–4700.

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).

**Collection of Information**

This SNPRM would call for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

**Federalism**

The Coast Guard has analyzed this SNPRM under the principles and criteria in Executive Order 13132 (64 FR 43255; August 10, 1999) and has determined that this SNPRM does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

**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 regulatory actions not specifically required by law. 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 or more in any one year. Although this SNPRM would not result in such expenditure, we do discuss the effects of this rule elsewhere in this preamble.

**Taking of Private Property**

This SNPRM would not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

**Civil Justice Reform**

This SNPRM 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.

**Protection of Children**

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

**Environment**

We considered the environmental impact of this SNPRM and concluded that under figure 2–1, paragraph 34(a), of Commandant Instruction M16475.1C; this rule is categorically excluded from further environmental documentation. The SNPRM is procedural in nature because it deals exclusively with adjusting pilotage rates for the Great Lakes. A "Categorical Exclusion Determination" is available in the docket where indicated under **ADDRESSES.**

**List of Subjects in 46 CFR Part 401**

Administrative practice and procedure, Great Lakes, Navigation (water), Penalties, Reporting and recordkeeping requirements, Seamen.

For the reasons discussed in the preamble, the Coast Guard proposes amending 46 CFR Part 401 as follows:

## PART 401—GREAT LAKES PILOTAGE REGULATIONS

1. The authority citation for part 401 continues to read as follows:

**Authority:** 46 U.S.C. 2104(a), 6101, 7701, 8105, 9303, 9304; 49 CFR 1.45, 1.46 (mmm), 46 CFR 401.105 also issued the authority of 44 U.S.C. 3507.

2. In § 401.405, revise tables (a) and (b) to read as follows:

**§ 401.405 Basic rates and charges on the St. Lawrence River and Lake Ontario.**

* * * * *

(a) Area 1 (Designated Waters):

| Service | St. Lawrence River |
|---|---|
| 1. Basic Pilotage | $8 per Kilometer or $14 per mile [1] |
| 2. Each Lock Transited. | 178 [1] |
| 3. Harbor Movage | 584 [1] |

[1] The minimum basic rate for assignment of a pilot in the St. Lawrence River is $381 and the maximum basic rate for a through trip is $1709.

(b) Area 2 (Undesignated Waters):

| Service | Lake Ontario |
|---|---|
| 1. Six Hour Period | $285 |
| 2. Docking/Undocking | 272 |

3. In § 401.407, revise tables (a) and (b) to read as follows:

**§ 401.407 Basic rates and charges on Lake Erie and the navigable waters from Southeast Shoal to Port Huron, MI.**

* * * * *

(a) Area 4 (Undesignated Waters):

| Service | Lake Erie (East of Southeast Shoal) | Buffalo |
|---|---|---|
| 1. Six Hour Period | $316 | $316 |
| 2. Docking/Undocking | 243 | 243 |
| 3. Any Point on the Niagara River below the Black Rock Lock | N/A | 620 |

(b) Area 5 (Designated Waters):

| Any point on/in | Southeast Shoal | Toledo or any point on Lake Erie west of Southeast Shoal | Detroit River | Detroit Pilot boat | St. Clair River |
|---|---|---|---|---|---|
| 1. Toledo or any port on Lake Erie west of Southeast Shoal | $929 | $548 | $1205 | $929 | N/A |
| 2. Port Huron Change Point | [1] 1617 | [1] 1873 | 1215 | 945 | 672 |
| 3. St. Clair River | [1] 1617 | N/A | 1215 | 1215 | 548 |
| 4. Detroit or Windsor or the Detroit River | 929 | 1205 | 548 | N/A | 1215 |
| 5. Detroit Pilot Boat | 672 | 929 | N/A | N/A | 1215 |

[1] When pilots are not changed at the Detroit Pilot Boat.

4. In § 401.410, revise tables (b) and (c) to read as follows:

**§ 401.410 Basic rates and charges on Lake Huron, Michigan and Superior and the St. Mary's River.**

* * * * *

(b) Area 7 (Designated Waters):

| Area | Detour | Gros cap | Any harbor |
|---|---|---|---|
| 1. Gros Cap | $1436 | N/A | N/A |
| 2. Algoma Steel Corporation Wharf at Sault Ste. Marie, Ontario | 1436 | 541 | N/A |
| 3. Any point in Sault Ste. Marie, Ontario, except the Algoma Steel Corporation Wharf | 1204 | 541 | N/A |
| 4. Sault Ste. Marie, Michigan | 1204 | 541 | N/A |
| 5. Harbor Movage | N/A | N/A | 541 |

(c) Area 8 (Undesignated Waters):

| Service | Lake Superior |
|---|---|
| 1. Six Hour Period | $251 |
| 2. Docking/Undocking | 239 |

**§ 401.420 [Amended]**

5. In § 401.420—

a. In paragraph (a), remove the number ''$51'' and add, in its place, the number ''$50''; and remove the number ''$807'' and add, in its place, the number ''$799''.

b. In paragraph (b), remove the number ''$51'' and add, in its place, the number ''$50''; and remove the number ''$807'' and add, in its place, the number ''$799''.

c. In paragraph (c)(1), remove the number ''$305'' and add, in its place, the number ''$302''; in paragraph (c)(3), remove the number ''$51'' and add, in its place, the number ''$50'' and also in paragraph (c)(3), remove the number ''$807'', and add, in its place, the number ''$799''.

**§ 401.428 [Amended]**

6. In § 401.428, remove the number ''$312'' and add, in its place, the number ''$309''.

Dated: September 6, 2000.

**R.C. North,**

*Rear Admiral, U.S. Coast Guard, Assistant Commandant for Marine Safety and Environmental Protection.*

[FR Doc. 00–23498 Filed 9–12–00; 8:45 am]

**BILLING CODE 4910–15–U**

## DEPARTMENT OF TRANSPORTATION

## National Highway Traffic Safety Administration

## 49 CFR Part 571

**[Docket No. NHTSA–00–7794]**

## Federal Motor Vehicle Safety Standards (FMVSS); Small Business Impacts of School Bus Safety

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), U.S. Department of Transportation (DOT).

**ACTION:** Notice of regulatory review; request for comments.

**SUMMARY:** The National Highway Traffic Safety Administration (NHTSA) seeks comments on the economic impact of its regulations on small entities. As required by Section 610 of the Regulatory Flexibility Act, we are attempting to identify rules that may have a significant economic impact on a substantial number of small entities. We also request comments on ways to make these regulations easier to read and understand. The focus of this notice is rules that specifically relate to school bus safety.

**DATES:** Comments must be received on or before September 29, 2000.

**ADDRESSES:** You should mention the docket number of this document in your comments and submit your comments in writing to: Docket Management System, U.S. Department of Transportation, Room PL–401, 400 Seventh Street, SW., Washington, DC, 20590. You may call Docket Management at: (202) 366–9324. You may visit the Docket from 10:00 am to 5:00 pm Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Nita Kavalauskas, Office of Regulatory Analysis and Evaluation, Office of Plans and Policy, National Highway Traffic Safety Administration, U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC, 20590. Telephone: (202) 366–2584. Facsimile (fax): (202) 366–2559.

**SUPPLEMENTARY INFORMATION:**

### I. Section 610 of the Regulatory Flexibility Act

*A. Background and Purpose*

Section 610 of the Regulatory Flexibility Act of 1980 (Pub. L. 96–354), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), requires agencies to conduct periodic reviews of final rules that have a significant economic impact on a substantial number of small business entities. The purpose of the reviews is to determine whether such rules should be continued without change, amended, or rescinded, consistent with the objectives of applicable statutes, to minimize any significant economic impact of the rules on a substantial number of such small entities.

*B. Review Schedule*

The Department of Transportation (DOT) published its Semiannual Regulatory Agenda on November 22, 1999, listing in Appendix D (64 FR