Section 156.160 Supervision by Person in Charge

To conform with the training requirements set forth in § 154.710, a provision is proposed to be added to § 156.160 to clarify that the person in charge must visually monitor the transfer, throughout the transfer.

Section 156.170 Equipment Tests and Inspections

Revisions are proposed to this section to complement the testing records required to be kept with the operations manual by § 154.720.

The revisions clarify that a static liquid pressure test is acceptable, and the test medium for transfer hoses is not required to be water. Those facilities in a caretaker status or that only transfer infrequently will now be required to test 30 days before their first transfer occurring more than one year from their last tests and inspections. This inspection schedule will allow a reduction in costs for facilities that transfer infrequently while still providing an appropriate level of environmental protection.

It would also be made clear that the COTP has the authority to allow alternative methods of compliance to the testing requirements in this section.

Regulatory Evaluation

This proposal 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. It has not been reviewed by the Office of Management and Budget 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). A draft Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT has been prepared and is available in the docket for inspection or copying where indicated under ADDRESSES. The Evaluation is summarized as follows.

It is estimated that 2591 fixed and 539 mobile marine transportation related facilities will be affected by these regulations. Many of the proposed revisions are clarifying changes that will pose no additional costs on facilities presently in compliance with the regulations. For example, certain information previously kept separately would now be required to be kept in the same location as the operations manual but requires little additional information not already prescribed by some other regulation. Since this information is not required to be included in the

operations manual no additional cost is incurred for review by the Coast Guard or the facility.

There are some new requirements associated with this NPRM. These requirements include a map showing the boundaries of the Coast Guard's jurisdiction (§ 154.310(a)(2)); additional requirements for mobile transfer facilities including standards for access by firefighting personnel, proper storage of hazardous material, sufficient fire extinguishers, rubbish containment, protective equipment, heating equipment placement, three way warning sign, electrical wiring and the person in charge requirements (§ 154.100(d)); a more extensive training and qualification program for persons in charge (§ 154.710(c)); containment under each hose connection during coupling, uncoupling, and transfer (§ 154.530(a)(3)); and three way warning signs (§ 154.735(v)).

However, other proposed revisions lessen the burden on industry in such areas as the use of the material safety data sheets rather than maintaining this information separately (§ 154.310(a)(5)); deletion of the requirement that transfer hoses have a minimum maximum allowable working pressure of 150 psi (§ 154.500(b)); and the deletion of the requirement for a facility to obtain a hot work permit (§ 154.735(l)).

Comments are requested on the cost of the small discharge containment proposed by § 154.530(a)(3); the additional requirements for mobile facilities proposed by § 154.100(d); and the training and qualification program for persons in charge proposed by § 154.710(c) and the overall cost of all of the proposed regulations to consumers. Comments are also solicited on the cost saving from deleting the requirement that transfer hoses have a minimum, maximum allowable working pressure of 150 psi (§ 154.500(b)).

In consideration of the additions and deletions to part 154 and 156 it is estimated that the annual net cost to all facilities, would be \$7,665,971, where captial costs are incurred over a five year period.

The overriding benefit to industry and the Coast Guard of the proposed rules would be the establishment of rules that are easier to understand and that would therefore facilitate and foster industry compliance, leading to a higher level of environmental protection.

The direct monetary benefit of increased protection would come from the reduction of spills resulting from facility operations. These proposed regulations are designed to achieve an overall reduction of oil and hazardous materials spilled into the water from

facilities by 20%. The weighted average of the annual volume of bulk oil and hazardous material spilled from 1987–1991 from facilities was 436,147 gallons. The estimated costs of spill cleanup, third party damages, and natural resource damages resulting from this volume totals \$8,722,940. A 20% reduction will give an annual benefit of \$1,744,588.

Comparing the monetary benefits of the proposed provisions against the compliance cost to industry, the annual cost of the regulations is estimated to be \$5,921,383.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.), the Coast Guard must consider whether this proposal, if adopted, will have a significant economic impact on a substantial number of small entities. "Small entities" may include (1) small businesses and not-for-profit organizations that are independently owned and operated and are not dominant in their fields and (2) governmental jurisdictions with populations of less than 50,000.

The majority of facilities are owned by large corporations. The new requirements proposed by this NPRM, measured against the proposed relief from other requirements currently in effect, will result in a negligible cost increase for facilities that presently comply with part 154.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposal, if adopted, will not have a significant economic impact on a substantial number of small entities. If, however, you think that your business or organization qualifies as a small entity and that this proposal will have a significant economic impact on your business or organization, please submit a comment (see ADDRESSES) explaining why you think it qualifies and in what way and to what degree this proposal will economically affect it.

Collection of Information

Under the Paperwork Reduction Act (44 U.S.C. 3501 et seq.), the Office of Management and Budget (OMB) reviews each proposed rule that contains a collection-of-information requirement to determine whether the practical value of the information is worth the burden imposed by its collection. Collection-of-information requirements include reporting, recordkeeping, notification, and other, similar requirements.

This proposal contains new collection-of-information requirements in the following sections: § 154.310,