The second option falls between the other options in both considerations. MARAD believes that it would be feasible within the current regulations to determine fair and reasonable guideline rates under any of the three options. Since the third option provides guideline rate coverage to the largest amount of cargo and is most consistent with MARAD policy goals stated above, this definition for parcel is being proposed.

As a result of this analysis, for purposes of this rulemaking a parcel will be defined as any group of cargoes subject to cargo preference laws offered by a U.S. shipper agency, host country and/or Private Voluntary Organization (PVO), individually or in combination, loaded in a port or ports within a single U.S. coastal port range (U.S. Gulf coast, U.S. East coast, U.S. West coast, U.S. Great Lakes, Alaska and Hawaii) and discharged at a port or ports of a single foreign country or destined for a single foreign country.

Accordingly, this rulemaking proposes to change the scope of the Rule to include bagged and packaged preference parcels of 5,000 metric tons and greater which are offered for carriage to U.S.-flag operators. In addition, certain conforming changes will be necessary to parts of the existing regulation to administratively facilitate the proposed amendment.

### **Rulemaking Analysis and Notices**

Executive Order 12866 (Regulatory Planning and Review)

This regulation has been reviewed under Executive Order 12866 and Department of Transportation Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). It is not considered to be an economically significant regulatory action under section 3(f) of E.O. 12866, since it has been determined that it will not result in an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

While this rulemaking does not involve any change in important Departmental policies, it is considered significant because it addresses a matter of considerable importance to the maritime industry and may be expected to generate significant public interest. MARAD has estimated the potential economic impact of this rulemaking based on a sample of approximately 2,000 individual liner parcels totalling over 1.0 million metric tons booked

during the period October 1, 1992 to September 30, 1993. Based on this data, MARAD estimates that guideline rates for approximately 700,000 metric tons could have been calculated and proffered to the responsible shipper agency. If guideline rates were calculated using this rulemaking and the actual fixture reduced to guideline rate, when appropriate, freight charges paid by the government would have declined resulting in a reduction in shipper revenue and government expenditures of approximately 2 to 4 percent. During this period, estimated freight charges paid by government agencies for agricultural liner cargoes were about \$200 million. Under market conditions characterizing the study period, total savings are estimated to be \$4 to 8 million annually. Because the economic impact should be minimal relative to the total freight costs for agricultural preference cargoes, further regulatory evaluation is not necessary.

#### Federalism

The Maritime Administration has analyzed this rulemaking in accordance with the principles and criteria contained in Executive Order 12612 and has determined that these regulations do not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

# Regulatory Flexibility Act

The Maritime Administration certifies that this regulation will not have a significant economic impact on a substantial number of small entities.

### Environmental Assessment

This regulation does not significantly affect the environment. An Environmental Impact Statement is not required under the National Environmental Policy Act of 1969.

## Paperwork Reduction Act

This proposed regulation does not significantly change the current requirement for the collection of information. The Office of Management and Budget (OMB) has reviewed the current regulation under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), and has approved it under OMB Approval Number 2133–0515.

### List of Subjects in 46 CFR Part 383

Agricultural commodities, Cargo vessels, Government procurement, Grant programs—foreign relations, Loan programs—foreign relations, Water transportation.

MARAD hereby proposes to amend 46 CFR part 383, as follows:

1. The authority citation for part 383 would continue to read as follows:

**Authority:** 46 App U.S.C. 1114(b), 1241(b), 49 CFR 1.66.

2. The heading is proposed to be revised to read as follows:

PART 383—DETERMINATION OF FAIR AND REASONABLE RATES FOR THE CARRIAGE OF LESS-THAN-SHIPLOAD LOTS OF BULK AND PACKAGED PREFERENCE CARGOES ON U.S.-FLAG COMMERCIAL LINER VESSELS

3. Section 383.1 is proposed to be revised to read as follows:

## § 383.1 Scope.

Part 383 prescribes regulations applying to the waterborne transportation of bulk and packaged preference cargoes in less than full shiploads on U.S.-flag commercial liner vessels. Full shiploads of preference cargo and preference cargoes carried by vessels not operated in the liner trades are covered under 46 CFR Part 382. These regulations contain the method that the Maritime Administration (MARAD) shall use in calculating fair and reasonable rates, and the type of information that shall be submitted by liner operators interested in carrying such preference cargoes. For the purpose of these regulations the term less-than full shipload shall include: All cargoes in bulk; or, bagged and/or packaged parcels greater than or equal to 5,000 metric tons and up to the full deadweight capacity of the specific vessel. A U.S.-flag commercial liner vessel is any vessel used by the operator which has previously carried cargo (except newly purchased or constructed vessels) in the liner trades and will carry the subject preference cargo in a liner trade previously established by the operator. For these purposes, liner trades is defined as service provided on an advertised schedule, giving relatively frequent sailing between specific U.S. ports or ranges and designated foreign ports or ranges; parcel is defined as any group of cargoes subject to cargo preference laws offered by a U.S. shipper agency, host country or Private Voluntary Organization (PVO), singularly or in combination, loaded in a port or ports within a single U.S. coastal port range and discharged at a port or ports of a single foreign country or destined for a single foreign country.

#### § 383.2 [Amended]

4. Section 383.2 Data Submission is proposed to be amended in paragraph (a) *General*, in the first sentence, by removing the term "dry bulk".