remain with the Coast Guard, but not those "essentially economic" functions that also have safety ramifications. In fact, the Final Report stated that the Working Group believed that the transfer of the 11 functions out of the Coast Guard—to any other recipient, including the SLSDC—would not have a detrimental effect on safety.

Moreover, to the extent the functions involve safety, the Department has determined there is no problem transferring them to the SLSDC. As described below, the SLSDC has significant safety responsibilities, which it has performed successfully for over thirty-five years. An examination of the SLSDC's operations shows that it has an impeccable safety record with respect to its authority over one of the most difficult sections of the entire Great Lakes/Saint Lawrence Seaway System. Furthermore, in implementing its safety responsibilities, there is no evidence that the SLSDC has ever sacrificed safety considerations for economic gain.

The SLSDC operates two locks, a fleet of vessels, maintains navigational aids, and carries out safety inspections of vessels. In the St. Lawrence Seaway System, the SLSDC works closely with the Coast Guard, and performs the same Captain-of-the-Port functions in the principal operating areas of the Seaway System that the Coast Guard performs elsewhere. In the Port and Tanker Safety Act of 1978, Congress expressly reserved that authority to the SLSDC.

In addition, the SLSDC has a comprehensive emergency response plan designed to protect the environment on the St. Lawrence River and adjacent areas. The plan directly involves U.S. and Canadian Federal, state, and local governments, private organizations, and other interested parties, including pilots. The plan is in place, is tested yearly, and has been used in actual circumstances twice with complete success. This year's drill included participation by Federal, state, and local agencies, in addition to representatives from U.S. and Canadian pilot organizations.

The SLSDC also has ample, longstanding safety law enforcement experience. It is responsible for administration of the Seaway Regulations and Rules (33 CFR Part 401) regarding the clearance, readiness, and operating requirements for safe passage of vessels transiting the St. Lawrence Seaway. It operates the Seaway under these regulations, which are jointly promulgated and enforced with the Canadian Saint Lawrence Seaway Authority and which contain many vessel safety rules. In addition, its Captain-of-the-Port responsibility carries with it enforcement authority, including the ability to fine for violations, which the SLSDC exercises under subpart B of part 401.

The SLSDC not only has this independent, significant law enforcement experience, but under an agreement with the Coast Guard, the SLSDC coordinates the exercise of its authority with related enforcement activities of the Coast Guard, including those related to pilotage. Moreover, the SLSDC's personnel carry out many of the Coast Guard inspection and related functions for the Coast Guard, including inspections performed by the SLSDC in Canadian waters before vessels transit the Seaway. In this regard, the SLSDC has the added advantages of long standing, joint enforcement with Canada of laws and regulations relative to the Seaway, including safety laws and regulations, and ready, cooperative access to Canadian waters for joint as well as U.S. law enforcement purposes.

Several commenters cited the SLSDC's handling of an incident involving the M/T CONCORDE as a demonstration of the SLSDC's concern for economics over safety, alleging that the SLSDC permitted a master who was drunk to pilot a vessel alone. This refers to an incident in which it was reported to U.S. and Canadian authorities that the master of the M/T CONCORDE may have been intoxicated. Upon learning of these allegations, the St. Lawrence Seaway Pilots Association (SLSPA) requested permission to assign two pilots to the vessel. In response to the allegations of intoxication, the M/T CONCORDE was boarded by the Coast Guard and the master was given a breathalyzer test. The master not only passed the breathalyzer test, but he showed no signs of misuse of alcohol. As a result of the U.S. Coast Guard boarding, the Coast Guard, the SLSDC, and the Canadian Great Lakes Pilotage Authority cleared the M/T CONCORDE to proceed on its voyage without restriction with one pilot. Accordingly, the Department finds no basis for the position of those commenters who described this incident as an example of the SLSDC favoring economics over safety. Rather, the Department believes that it is an excellent example of coordination and cooperation among the Coast Guard, SLSDC, and Canadian authorities regarding safety issues that affect the entire St. Lawrence Seaway.

Some commenters objected to the interim final rule's characterization that it was issued in response to "pilot concerns;" they argued instead that it was issued in response to outside political pressure. Some commenters stated that the transfer of authority is supported by only one Great Lakes Registered pilot, and is opposed by all three Great Lakes pilot associations.

The Department's examination of a possible transfer of Great Lakes pilotage authority was the result of a request from a delegation of interested persons, which included the President of a Great Lakes Pilot Association (also Vice President of the American Pilots Association for the Great Lakes), and President of the American Pilots Association. These organizations expressed concerns on behalf of their members about the lengthy ratemaking process and the lack of prompt attention given to pilotage issues. The Department continued its examination and discovered that similar concerns were expressed by many other interested parties throughout the Great Lakes. Commenters who believe the transfer of authority is not supported by any pilots are incorrect. While two Great Lakes Pilot Associations are opposed to the transfer, one Great Lakes Pilot Association supports the transfer. Letters of support for the transfer were also received from individual Great Lakes Registered Pilots, and from many other interested Great Lakes parties. The Department did not issue the interim final rule in response to Congressional pressure. Although the Department has received some Congressional support for the transfer, it has also received letters from individual Members of Congress expressing misgivings.

Some commenters contended that the SLSDC lacks the knowledge or experience to negotiate issues with Canada. The Department disagrees. The SLSDC has over thirty-five years of experience in direct negotiations with the government of Canada over the Joint Tariff of Tolls, Joint Seaway Operating Regulations, and other matters of mutual concern. Moreover, the SLSDC has daily contact and coordination of activities and implementation of policies with the Great Lakes Pilotage Authority, Ltd. and the Canadian Seaway authority. In this respect, the SLSDC is experienced in, and well suited to, the role of negotiator on pilotage matters with the Canadian government.

Some commenters stated that out of the 12 or so reviewers of rate adjustments, the SLSDC is the one agency that consistently opposed rate adjustments and was responsible for slowing down or halting the process. The Department, however, has found the opposite to be true. The Department has checked its records for the last seven years, the time during which a rulemaking data base has been kept, and, in that time period, the SLSDC has