not opposed rate adjustments or been responsible for slowing down or halting the process.

Some commenters declared that only the Coast Guard has pilotage expertise such as the experience to determine who is qualified to be a registered pilot. We are aware, too, that the Inspector General of the Department has sent a letter to Congressman David Obey, claiming that the SLSDC has no experience or expertise in many, if not all, of the responsibilities to be transferred. (The Inspector General also has raised this concern in the Department's coordination of the interim final rule.) The pilotage expertise resides in the Coast Guard's Great Lakes Pilotage Staff (the Staff), which is comprised of the Director of Great Lakes Pilotage, a Transportation Specialist who serves as the Assistant Director, and an Economist; the Staff and, thus, the expertise will transfer in its entirety to the SLSDC when the functions are transferred. Those who are executing the Great Lakes pilotage program now, including enforcement of the Act, will continue to do so after the transfer.

The Staff will continue to operate in the SLSDC in the same manner in which it has operated in the Coast Guard. In preparation for the upcoming winter meetings of the three pilot associations, the Director of Great Lakes Pilotage has written to each of the association presidents to make them aware of pilotage issues that he would like to discuss. In each letter, the Director stated that he would like to reach an agreement on how the process can be improved. "Identifying the areas where we need better procedures is beneficial to the system and the goals of safety. In the spirit of partnership, I hope we can improve the process together." These same goals are transferring to the SLSDC with the Director.

Moreover, since shortly before its transfer to the NMC in July 1995, the Staff has performed its Great Lakes pilotage responsibilities without receiving any specialized Coast Guard support to enable the Staff to perform these responsibilities better. It is not clear, therefore, why some believe that the expertise will suddenly evaporate when the Staff is transferred to the SLSDC. Furthermore, the SLSDC itself has developed an expertise in pilotage issues; it has directed vessel traffic in the Seaway system for decades and in so doing has substantial experience in dealing with pilots and pilotage matters. To the extent the Coast Guard has some special expertise necessary for a particular matter, the Staff can obtain

Coast Guard support regardless of where the Staff is located.

Some commenters questioned Department statements that the current Director of Great Lakes Pilotage has ten years of experience in Great Lakes Pilotage issues. The person who is the current Director became the Assistant Chief of the Coast Guard's Merchant Vessel Personnel Division in January 1985. As Assistant Chief, the Coast Guard's Pilotage Staff reported to him, and he was involved in every major pilotage policy decision. Since the function was moved from Cleveland to Washington, DC in 1990, he has been the alternate Director of Great Lakes Pilotage, that is, the person acting as Director in the latter's absence. In 1994, he assumed his present duties as Director of Great Lakes Pilotage. In addition, his career includes over 20 years of experience as a merchant marine officer, an officer in charge of U.S. naval vessels, navigation and seamanship instructor at the U.S. Naval Academy, and head of the Navigation Department at the Maritime Institute of Technology and Graduate Studies, an advanced school operated by the International Organization of Masters, Mates and Pilots. The Assistant Chief of the Pilotage staff also has many years of experience as a merchant marine officer, has commanded a vessel, and is a licensed first class pilot on the Great Lakes.

Some commenters asked what the relationship would be between the Coast Guard and the SLSDC after the transfer of delegation of pilotage functions. The Department expects the Coast Guard and SLSDC to continue their current strong relationship of cooperation and coordination. Concerning pilotage on the Great Lakes, the Coast Guard will continue to perform the functions of evaluating, testing, grading, issuing and upgrading pilot licenses, investigating accidents and other infractions, and suspending or revoking pilot licenses. The SLSDC will perform all other functions related to Great Lakes registered pilots. The Coast Guard and SLSDC will enter into a Memorandum of Agreement (MOA) to ensure coordination and cooperation between the parties.

One commenter argued that giving SLSDC the authority to enter into, revise, or amend arrangements with Canada with respect to pilotage rates, which until now has been reserved to the Secretary, may cost U.S. jobs as a bargaining tool to extract concessions from Canada on Seaway tolls. The Department disagrees. The transfer of the delegation of authority does not affect pilotage jobs, pay, or working conditions, increase hours of service, or impact adversely on safety or the environment. There is no connection between negotiations with Canada on Seaway tolls and on pilotage rates. Pilotage rates are now set in accordance with the published methodology; because rules setting pilotage rates generally are significant, Department policy requires that they be coordinated with and cleared through several Department offices and agencies before negotiations with Canada begin. Those negotiations were routinely conducted in the past by Coast Guard staff in Cleveland with no involvement by the Office of the Secretary or any of the other Department agencies. Under this delegation, the Secretary's authority to enter into, revise, or amend arrangements with Canada must be coordinated by SLSDC with the General Counsel of the Department, in the Office of the Secretary.

That same commenter averred that the May 1972 Great Lakes Pilotage Review by the Department said that the significant policy leadership and review function must be retained by the Office of the Secretary. Policy review and oversight of pilotage is so retained. The Secretary is transferring one of his responsibilities from one agency that reports to him (the Coast Guard) to another (the SLSDC). He is not abrogating his responsibilities. The pilotage functions and personnel positions created to carry them out are designed to ensure that those responsibilities will be fully met. The individuals who occupy the positions must meet the requirements and qualifications demanded of those positions, irrespective of the agency in which they reside.

The same commenter claimed that it is the layers of review by the Office of the Secretary (OST), not the size of the Coast Guard or negotiations with Canada, that have created the less than timely attention to pilotage issues and less than timely rate adjustments. Again, the Department disagrees. Coordination by OST allows review among interested Department elements. This review is necessary in the Department's decisionmaking process. The Department's experience shows that OST review has not caused unreasonable delay. Furthermore, there are no "layers of review;" review by OST and other interested elements is accomplished in one step and the document is then sent to the Secretary for approval.

On the other hand, there can be multiple layers of review in Department agencies before a document is submitted to OST for coordination. Although approvals can take varying amounts of