

(Pub. L. 104–134) to require Federal agencies to regularly adjust CMPs for inflation. As amended, the law requires each agency to make an initial inflationary adjustment for all applicable CMPs, with specified exemptions, and to make further adjustments at least once every four years thereafter. The Debt Collection Improvement Act of 1996 further stipulates that any resulting increases in a CMP due to the calculated inflation adjustments (i) should apply only to the violations that occur after October 23, 1996, the Act's effective date, and (ii) should not exceed 10 percent of the penalty indicated.

Method of Calculation

Under the Act, the inflation adjustment for each applicable CMP is determined by increasing the maximum CMP amount per violation by the cost of living adjustment. The “cost of living” adjustment is defined as the percentage of each CMP by which the Consumer Price Index (CPI) for the month of June of the calendar year preceding the adjustment exceeds the CPI for the month of June of the calendar year in which the amount of the CMP was last set or adjusted pursuant to law. Any calculated increase under this adjustment is subject to a specific rounding formula set in the Act.

Civil Penalties Under 46 U.S.C. 31309 and 31330; 46 App. U.S.C. 808

MARAD has provisions in its regulations at 46 CFR part 221 prescribing procedures for three civil penalties that it may assess under the following authorities:

1. 46 U.S.C. 31309—a general civil penalty of up to \$11,000 for violation of 46 U.S.C. Chapter 313—Commercial Instruments and Maritime Liens.

2. 46 U.S.C. 31330—a penalty of up to \$27,500 for violation of 46 U.S.C. 31328 or 31329, relating to requirements for trustees of mortgaged vessels and vessel interests and purchasers of documented vessels under order of a district court.

3. 46 App. U.S.C. 808—a penalty of up to \$11,000 for the unlawful transfer of a documented vessel or interests therein.

MARAD is amending its regulations at 46 CFR 221.61 to adjust the maximum amount of each of these three civil monetary penalties. Each of the \$11,000 maximum penalties is being increased to \$12,000. The \$27,500 maximum penalty is being increased to \$30,000.

Rulemaking Analysis and Notices

Executive Order 12866 (Regulatory Planning and Review), and Department of Transportation (DOT) Regulatory Policies; Pub. L. 104–121

This final rule is exempt from review of OMB under E.O. 12866 because it is limited to the adoption of statutory language without interpretation. Additionally, this final rule is not likely to result in an annual effect on the economy of \$100 million or more. It also is not considered a major rule for purposes of Congressional review under Pub. L. 104–121.

This final rule is also not significant under the Regulatory Policies and Procedures of the Department of Transportation (44 FR 11034, February 26, 1979). The costs and benefits associated with this rulemaking are so minimal that no further analysis is necessary. Because the economic impact should be minimal, further regulatory evaluation is not necessary.

Administrative Procedure Act

The Administrative Procedure Act (5 U.S.C. 553) provides an exception to the notice and comment procedures because they are unnecessary or contrary to the public interest. MARAD finds that under 5 U.S.C. 553(b)(3)(B) good cause exists for dispensing with notice and comment since this rule only implemented statutory authority as mandated in Pub. L. 104–134, with no issues of policy discretion. Accordingly, opportunity for public comment is unnecessary.

Federalism

We analyzed this final rule in accordance with the principles and criteria contained in E.O. 13132 (“Federalism”) and have determined that it does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. The regulations have no substantial effects on the States, or on the current Federal-State relationship, or on the current distribution of power and responsibilities among the various local officials. Therefore, consultation with State and local officials was not necessary.

Regulatory Flexibility

The Maritime Administrator certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Any penalties that may be assessed by MARAD will take into account the party's ability to pay and the nature, circumstances, extent and gravity of the

violation committed and, with respect to the Party, the degree of culpability, and history of prior offenses, and other factors that justice may require. The aggregate impact of any enforcement action that might be taken by MARAD on violations will not have a significant economic impact on small businesses entities.

Environmental Assessment

We have analyzed this Final rule for purposes of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*) and have concluded that under the categorical exclusions provision in section 4.05 of Maritime Administrative Order (“MAO”) 600–1, “Procedures for Considering Environmental Impacts,” 50 FR 11606 (March 22, 1985), the preparation of an Environmental Assessment, and an Environmental Impact Statement, or a Finding of No Significant Impact for this rulemaking is not required. This rulemaking involves civil penalties and has no environmental impact.

Paperwork Reduction

This rulemaking contains no new or amended information collection or recordkeeping requirements which have been or require approval by the Office of Management and Budget.

Unfunded Mandates Reform Act of 1995

This final rule would not impose an unfunded mandate under the Unfunded Mandates Reform Act of 1995. It would not result in costs of \$100 million or more, in the aggregate, to any of the following: State, local, or Native American tribal governments, or the private sector. This final rule is the least burdensome alternative that achieves the objective of the Federal Civil Monetary Penalty Inflation Adjustment Act of 1996, as amended by the Debt Collection Improvement Act of 1996.

List of Subjects in 46 CFR Part 221

Maritime carriers, Mortgages, Reporting and recordkeeping requirements, Trust and trustees.

■ Accordingly, 46 CFR part 221 is amended as follows:

■ 1. The authority citation continues to read as follows:

Authority: 46 App. U.S.C. 802, 803, 808, 835, 839, 841a, 114(b), 1195; 46 U.S.C. chs. 301 and 313; 49 U.S.C. 336; 49 CFR 1.66 2.

■ 2. Section 221.61 is revised to read as follows: