

with AMS Committee meetings, AMS Plan revisions, and information exercises and drills.

Benefit Assessment

This interim rule is one of six interim rules that implement national maritime security initiatives concerning general provisions, Area Maritime Security (ports), vessels, facilities, Outer Continental Shelf (OCS) facilities, and the Automatic Identification System (AIS). The Coast Guard used the National Risk Assessment Tool (N-RAT) to assess benefits that would result from increased security for vessels, facilities, Outer Continental Shelf (OCS) facilities, and ports. The N-RAT considers threat, vulnerability, and consequences for several maritime entities in various security-related scenarios. For a more detailed discussion on the N-RAT and

how we employed this tool, refer to “Applicability of National Maritime Security Initiatives” in the interim rule titled “Implementation of National Maritime Security Initiatives” (USCG–2003–14792) published elsewhere in today’s **Federal Register**. For this benefit assessment, the Coast Guard used a team of experts to calculate a risk score for each entity and scenario before and after the implementation of required security measures. The difference in before and after scores indicates the benefit of the proposed action.

We recognized that the interim rules are a “family” of rules that will reinforce and support one another in their implementation. We must ensure, however, that risk reduction that is credited in one rulemaking is not also credited in another. For a more detailed

discussion on the benefit assessment and how we addressed the potential to double-count the risk reduced, refer to *Benefit Assessment* in the interim rule titled “Implementation of National Maritime Security Initiatives” (USCG–2003–14792) published elsewhere in today’s **Federal Register**.

We determined annual risk points reduced for each of the six interim rules using the N-RAT. The benefits are apportioned among the Vessel, Facility, OCS Facility, AMS, and AIS requirements. As shown in Table 1, the implementation of AMS Plans for the affected population reduces 135,202 risk points annually through 2012. The benefits attributable for part 101—General Provisions—were not considered separately since it is an overarching section for all the parts.

TABLE 1.—ANNUAL RISK POINTS REDUCED BY THE INTERIM RULES.

Maritime entity	Annual risk points reduced by rulemaking				
	Vessel security plans	Facility security plans	OCS facility security plans	AMS plans	AIS
Vessels	778,633	3,385	3,385	3,385	1,448
Facilities	2,025	469,686	.....	2,025	.....
OCS Facilities	41	.....	9,903	.....	.....
Port Areas	587	587	.....	129,792	105
Total	781,285	473,659	13,288	135,202	1,553

Once we determined the annual risk points reduced, we discounted these estimates to their PV (7 percent discount rate, 2003–2012) so that they could be compared to the costs. We presented the

cost effectiveness, or dollars per risk point reduced, in two ways: First, we compared the first-year cost and first-year benefit because the first-year cost is the highest in our assessment as

companies develop security plans and purchase equipment. Second, we compared the 10-year PV cost to the 10-year PV benefit. The results of our assessment are presented in Table 2.

TABLE 2.—FIRST-YEAR AND 10-YEAR PV COST AND BENEFIT OF THE INTERIM RULES

Item	Interim rule				
	Vessel security plans	Facility security plans	OCS facility security plans	AMS plans	AIS *
First-Year Cost (millions)	\$218	\$1,125	\$3	\$120	\$41
First-Year Benefit	781,285	473,659	13,288	135,202	1,553
First-Year Cost Effectiveness (\$/Risk Point Reduced)	\$279	\$2,375	\$205	\$890	\$26,391
10-Year PV Cost (millions)	\$1,368	\$5,399	\$37	\$477	\$42
10-Year PV Benefit	5,871,540	3,559,655	99,863	1,016,074	11,671
10-Year PV Cost Effectiveness (\$/Risk Point Reduced)	\$233	\$1,517	\$368	\$469	\$3,624

* Cost less monetized safety benefit.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not

dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The stakeholders affected by this rule include a variety of businesses and governments. The COTP will designate approximately 200 stakeholders, per maritime area, to engage in security planning, meetings, and drills. Full participation by these stakeholders will

be voluntary. We estimate the first-year cost, per stakeholder, to be \$12,800 (non-discounted). In subsequent years, the annual cost, per stakeholder (full participation in this rule), falls to \$4,940 (non-discounted).

The results from our assessment (copy available in the docket) suggest that the impact of this rule is not significant for port and maritime area authorities,