

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

Maritime entity	Annual risk points reduced by rulemaking				
	Vessel security plans	Facility security plans	OCS facility security plans	AMS plans	AIS
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 present value (seven 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 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 and 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 <sup>1</sup>
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

<sup>1</sup> Cost less monetized safety benefit.

### Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this interim 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. This interim rule does not require a general notice of proposed rulemaking and, therefore, is exempt from the requirements of the Regulatory Flexibility Act. Although this interim rule is exempt, we have reviewed it for potential economic impacts on small entities. An Initial Regulatory Flexibility Analysis discussing the impact of this interim rule on small entities is available in the docket where indicated under ADDRESSES.

Our assessment (copy available in the docket) concludes that implementing this interim rule may have a significant economic impact on a substantial number of small entities.

There are approximately 1,200 companies that own facilities that will be affected by the interim rule. We researched these companies, and found

revenue and business size data for 581 of them (48 percent). Of the 581, we determined that 296 are small entities according to Small Business Administration standards.

The cost of the interim rule to each facility is dependent on the security measures already in place at each facility and on the relevant risk to a maritime transportation security incident. The interim rule calls for specific security measures to be in place at each affected facility. We realize, however, that most facilities already have implemented security measures that may satisfy the requirements of this rule. For example, we note that every facility will develop a Facility Security Assessment and a Facility Security Plan, but not all of them may need to install or upgrade fences or lighting equipment.

For this reason, we analyzed the small entities under two scenarios, a higher cost and lower cost scenarios. The higher cost scenario uses an estimated initial cost of \$1,942,500 and its corresponding annual cost of \$742,700. The higher cost scenario assumes extensive capital improvements will be undertaken by the facilities in addition to the cost of complying with the minimum requirements (assigning Facility Security Officers, drafting Facility Security Assessments, drafting Facility Security Plans, conducting

Training, performing Drills, and completing Declarations of Security). The lower cost scenario used an initial cost of \$133,500 and annual cost of \$156,800 for complying with the minimum requirements in the interim rule.

In the higher cost scenario, we estimate that the annual revenues of 94 percent of the small entities may be impacted initially by more than 5 percent, while the annual revenues of 80 percent of the small entities may be impacted annually by more than 5 percent. In the lower cost scenario, we found that the annual revenues of 57 percent of the small entities may be impacted initially and annually by more than 5 percent.

### Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this interim rule so that they can better evaluate its effects on them and participate in the rulemaking. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult LT Gregory Purvis by telephone 202–267–1103, toll-free telephone 1–800–842–8740 ext. 7–