

assessment. Depending on each company's choices, some companies could spend much less than what is estimated herein while others could spend significantly more. In general, the Coast Guard assume that each company will implement this interim rule differently based on the types of OCS facilities it owns or operates and whether it engages in international or domestic trade.

This interim rule will affect about 40 OCS facilities under U.S. jurisdiction, (current and future facilities). These OCS facilities engage in exploring for, developing, or producing oil, natural gas, or mineral resources. To determine the number of OCS facilities, we used data that the Mineral Management Service (MMS) has identified as nationally critical OCS oil and gas infrastructure. These OCS facilities meet or exceed any of the following operational threshold characteristics:

- (1) OCS facility hosts more than 150 persons for 12 hours or more in each 24-hour period continuously for 30 days or more;
- (2) Production greater than 100,000 (one hundred thousand) barrels of oil per day; or
- (3) Production greater than 200,000,000 (two hundred million) cubic feet of natural gas per day.

The estimated cost of complying with the interim rule is Present Value (PV) \$37 million (2003–2012, 7 percent discount rate). In the first year of compliance, the cost of security assessments and plans, training, personnel, and paperwork is an estimated \$3 million (non-discounted). Following initial implementation, the annual cost of compliance is an estimated \$5 million (non-discounted).

Approximately 80 percent of the initial cost of the interim rule is for assigning and establishing Company Security Officers and Facility Security Officers, 12 percent is associated with

paperwork creating Facility Security Assessments and Facility Security Plans, and 8 percent of the cost is associated with initial training (not including quarterly drills). Following the first year, approximately 58 percent of the cost is training (including quarterly drills), 42 percent is for Company Security Officers and Facility Security Officers, and less than 1 percent is associated with paperwork. Annual training (including quarterly drills) is the primary cost driver of OCS facility security.

We estimated approximately 3,200 burden hours for paperwork during the first year of compliance (40 hours for each Facility Security Assessment and each Facility Security Plan). We estimated approximately 160 burden hours annually following full implementation of the interim rule to update Facility Security Assessments and Facility Security Plans.

We estimated the cost of this interim rule to be minimal in comparison to vessel and non-OCS facility security implementation. This interim rule includes only personnel, training, and paperwork costs for the affected OCS facility population. We assume the industry is adequately prepared with equipment suited to be used for security purposes (lights, radios, communications), therefore no security equipment installation, upgrades, or maintenance will be required for this interim rule.

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, OCS Facilities, and AIS. The Coast Guard used the National Risk Assessment Tool (N–RAT) to assess benefits that would result from increased security for vessels, facilities, 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.

The Coast Guard recognized that the interim rules are a “family” of rules that will reinforce and support one another in their implementation. The Coast Guard has ensured, 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 the Coast Guard 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**.

The Coast Guard 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 OCS Facility Security Plans for the affected population reduces 13,288 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 present value (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-