

will have minimal economic impact on any of the affected operators.

#### Comments

We received one comment on the NPRM. The commenter was concerned that the phrase “[p]ipeline on the Outer Continental Shelf” could cause confusion because it could imply that only the portion of the pipeline on the Outer Continental Shelf was affected, when in fact the paragraph applies to both the pipeline section on the OCS and the section in State waters. In order to clarify that the rule applies to either direction of flow, we have made minor modifications to the language proposed in the NPRM.

#### Technical Advisory Committees

On February 6, 2001, the proposed rule was discussed at a joint meeting of the Technical Hazardous Liquid Pipeline Safety Standards Committee (THPLSSC) and the Technical Pipeline Safety Standards Committee (TPSSC). These statutorily mandated committees include up to fifteen members each from government, industry, and the general public. Each member is qualified to consider the technical feasibility, reasonableness, cost-effectiveness, and practicability of proposed pipeline safety standards.

The committees voted on the proposal through a mail ballot. Thirteen of fifteen members of the TPSSC and seven out of twelve members of the THPLSSC returned ballots. All ballots returned indicated member agreement that the proposed rule is technically feasible, reasonable, cost effective, and practicable. Copies of the returned ballots are available in the docket for this rulemaking on the Dockets Management System at: <http://dms.dot.gov>.

#### Privacy Act Statement

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** of April 11, 2000 (Volume 65, Number 70; Pages 19477–78) or you may visit the docket for this rulemaking in our Dockets Management System at: <http://dms.dot.gov>.

#### Regulatory Analyses and Notices

##### A. E.O. 12866 and DOT Regulatory Policies and Procedures

The Department of Transportation (DOT) does not consider this final rule

to be a significant regulatory action under section 3(f) of Executive Order 12866 (58 FR 51735; October 4, 1993). Therefore, it was not forwarded to the Office of Management and Budget. This rule is not significant under DOT's regulatory policies and procedures (44 FR 11034; February 26, 1979). A regulatory evaluation of this proposal was prepared and placed in the docket of this action.

#### Benefits

Without this rule, the pipeline operations of a number of producers with pipelines crossing directly into State waters could remain subject to overlapping regulations for design, construction, operation, and maintenance. This includes about 35 producers in the Gulf of Mexico OCS waters and 10 producers operating in California OCS waters. This would be contrary to the intent of the MOU to regulate producer-operated pipelines under DOI and transporter-operated pipelines under DOT.

By implementing the rule, RSPA will bring these pipelines into compliance with the 1996 MOU. This should minimize confusion among operators concerning which regulations they are expected to follow. We estimate that each OCS producer operator spends on average one-half of a person year annually per OCS pipeline to comply with RSPA regulations. Assuming that a loaded wage for a person year in the pipeline industry is \$50,000, each company could realize a savings of \$25,000 annually ( $\$50,000 \times 0.5$  person-years = \$25,000). The annual savings to the entire industry could be as high as \$1,125,000 ( $\$25,000 \times 45$  operators = \$1,125,000).

#### Costs

The administrative costs of the rule are minimal. Paperwork costs would arise only in cases when a producer pipeline operator decided to request that its pipeline continue to be regulated as a RSPA/OPS facility. We estimate that less than 10 producer pipeline operators will request to remain under RSPA regulation. We estimate that the time for developing each request and submitting it to MMS and RSPA/OPS will be about 40 hours. Based on 10 requests at 40 hours each, the total one-time burden of requesting to remain under RSPA/OPS regulation will be less than 400 hours. Based on \$35 per hour, we estimate that the total administrative cost to respondents is less than \$14,000 (\$1,400 per request) during the first year that the rule is implemented. In the first year, nearly all producer pipeline operators would have decided whether

to automatically convert to MMS regulation or apply to remain under RSPA/OPS regulation. We anticipate that in following years, not more than two operators a year would submit a request to change their regulatory status at a total cost of \$2,800. However, for most following years it is highly unlikely that any request would be made as a result of the rule.

The rule does not have a significant economic effect (more than \$100 million). Therefore, RSPA/OPS does not consider it to be a major rule. We do not expect there to be any increases in costs or prices for consumers, individual industries, Federal, State or local governments, agencies, or geographic regions to result from implementing the rule. Any indirect effects on costs or prices are anticipated to be negligible.

This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency, materially alter the budgetary impact of entitlement, grants, user fees, or loan programs; or raise novel legal or policy issues.

The minor economic effects of the rule will not have any impact on competition, employment, investment, productivity, innovation, or on the ability of U.S. based enterprises to compete with foreign based enterprises in other markets. Therefore, a Regulatory Impact Analysis is not required under E.O. 12866.

#### B. Federalism Assessment

The rule would not have substantial direct effects on States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612 (October 30, 1987; 52 FR 41685), we have determined that this notice does not have sufficient Federalism implications to warrant preparation of a Federalism Assessment.

#### C. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) RSPA/OPS must consider whether a rulemaking would have a significant impact on a substantial number of small entities.

MMS conducted an analysis of 150 operators on the Gulf of Mexico OCS. For publicly traded operators, numbers of employees and annual sales are readily available on the Internet. MMS was not able to get information for all operators on the OCS. Using the criterion that a small company is one that employs less than 500 employees, 60 operators are medium-to-large-size